

## **ESC CONTRACTING PROCESS BOOK 1997 EDITION**

### **Introduction**

The ESC Contracting Process Book (ECPB) is for use by all personnel in the ESC contracting community, including the Geographically Separated Units (GSUs).

The ECPB was developed adhering to the following guidelines: it does not restate higher-level policy; it is consistent with higher-level policy, but does not supplement higher-level policy by creating additional requirements; it includes only internal processes, procedures, or guidance necessary to implement higher-level policy; it does not create an administrative burden on other government organizations; it is transparent to industry; and it does not contain model or sample clauses.

The ECPB is the core reference book for contracting personnel. To aid in this respect, the ECPB presents information in the same sequence as the FAR. Additionally, the paragraph numbering aligns with the FAR numbering. It includes only those FAR paragraphs which contain information specific to ESC. The ECPB is not a stand-alone document and should be used with the FAR, as supplemented by the DFARS, AFFARS, and AFMCFARS.

The ECPB does not include contracting tools such as guides and handbooks. Such documents are available on the World Wide Web (WWW) at the following ESC/PK Intranet Homepage address:

<http://www.esc.hanscom.af.mil/PK/pklgp01.htm>

Maintenance of the ECPB is the responsibility of ESC/PKX. The ECPB is also available at the Hill AFB [AF FAR Site](#), the DOD Deskbook, as well as the ESC/PK Centernet Homepage.

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## ECPB TERMS

The following terms used in the ECPB are described below for ease of reference. Unless otherwise specified, office symbols refer to those located at ESC, Hanscom AFB, MA. Office symbols of organizations not located at Hanscom AFB are preceded by the organizational location, e.g., SSG/PK, AFMC/PK, etc.

ADO	Refers to the ESC Acquisition Development Office, ESC/BP
ALC	Refers to an AFMC Air Logistics Center
AXK	Refers to the ESC Contracted Support Management Office
BC	Refers to the ESC Small Business Office
BP	Refers to the ESC ADO Directorate
Buying Office	Same as Contracting Office

CC	Refers to the ESC Commander
CD	Refers to the ESC Executive Director
Contracting Office	Same as Buying Office
CPSG	Refers to the Cryptologic Systems Group at Kelly AFB TX
CPSG/RMK	Refers to the CPSG Resources Management Contracting Support Office
CV	Refers to the ESC Vice Commander
CX	Refers to the ESC Commander's Staff Director
DAC	Refers to the Designated Acquisition Commander, ESC/CC
ESC	Refers to the Electronic Systems Center, including its geographically separated units: Standard Systems Group; 38th Engineering and Installation Wing; Materiel Systems Group; and Cryptologic Systems Group
GSU	Refers to an ESC Geographically Separated Unit (See ESC, above)
HAFB	Refers to Hanscom Air Force Base MA
HCA	Refers to the Head of the Contracting Activity for Other Contracting, AFMC/CC
HERBB	Refers to the Hanscom Electronic RFP Bulletin Board on the WWW
IG	Refers to the ESC Inspector General
JA	Refers to the ESC legal office
MADES	Refers to the Menu Assisted Data Entry System used for contract writing at some GSUs
MSG	Refers to the Materiel Systems Group at Wright-Patterson AFB OH
MSG/PK	Refers to the Director of Contracting at MSG; it includes the duties and responsibilities of the MSG BOCO
MQ	Refers to the ESC Manpower and Quality Office
PCO	Refers to a warranted Procuring Contracting Officer
PK (Director/Deputy)	Refers to either the ESC Director or Deputy Director of Contracting, ESC/PK

PKF	Refers to the ESC Pricing Division, ESC/PKF
PKO	Refers to the ESC Operational Contracting Division, ESC/PKO
PKR	Refers to the ESC R&D Contracting Division, ESC/PKR
PKX	Refers to the ESC Contract Support TEAM, ESC/PKX
PKY	Refers to the ESC Advanced Projects Contracting Division, ESC/PKY
PL	Refers to the Phillips Laboratory, Geophysics Division, at Hanscom AFB MA
SCCO	Refers to the ESC Senior Center Contracting Official, ESC/PK
SSG	Refers to the Standard Systems Group at Gunter AFB AL
SSG/PK	Refers to the Director of Contracting at SSG; includes the duties and responsibilities of the SSG BOCO
WWW	Refers to the World Wide Web
XRR	Refers to the ESC focal point for receipt and processing of unsolicited proposals
38 EIW	Refers to the 38th Engineering Installation Wing at Tinker AFB OK
38 LS/LGC	Refers to the Contracting Flight Chief at 38 EIW; includes the duties and responsibilities of the 38 EIW BOCO
66 ABW	Refers to the 66th Air Base Wing at Hanscom AFB MA
66 SPTG	Refers to the 66th Support Group at Hanscom AFB MA

## **1. FEDERAL ACQUISITION REGULATIONS SYSTEM (FAR Part 1)**

### **1.2 Administration (FAR Subpart 1.2)**

#### **Maintenance of ESC Official File**

PKX will maintain the official ESC library file of the FAR, FAR Appendices and Supplements, Federal Acquisition Circulars (FACs), Defense Acquisition Circulars (DACs), Air Force Acquisition Circulars (AFACs), Air Force Materiel Command Acquisition Circulars (AFMCACs), the Armed Services Pricing Manuals (ASPMs), including superseded pages and revisions. Except for FAR System Part 52, Solicitation Provisions and Contract Clauses, other ESC offices will not maintain superseded FAR System pages and revisions. (GSUs will maintain their own library files).

### **1.3 Agency Acquisition Regulations (FAR Subpart 1.3)**



**Clause Control and Compliance Plan (GSUs use local procedures)**

a. The ECPB does not prescribe clauses, provisions, or administrative notices. Multiple use clauses, provisions, or notices, written or prescribed for repetitive use, will be maintained only at the AFMCFARS level, or higher. PCOs will notify PKX if any language is found to be a candidate for wider application and possible inclusion in the FAR or FAR Supplements. In such instances, PKX will prepare the necessary documentation for approval as a FAR Case in accordance with DFARS 201.201-1(d)(i).

b. The PCO is authorized to determine that one-time use, contractor-specific or program-unique, implementing, and/or administrative language does not duplicate or deviate from existing FAR and FAR Supplements; clearly conveys its intent and operation; and is necessary for use in contract actions.

(1) The PCO shall make this determination in writing and include the determination at Tab 8k of the contract file. The determination may be made on a class basis for contractor-specific or program-unique clauses. A sample memorandum format is provided at ECPB Annex 1.3, available on the WWW PK Intranet Homepage.

(2) Forward a copy of the determination/memorandum, including the provision/clause language, to PKX for inclusion in the central local clause repository. The PCO is encouraged to review clauses in this repository before preparing a new clause.

c. PKX will maintain the central local clause repository and associated log/index. Upon request, as a service to the PCO, PKX will review and comment upon proposed one-time-use provisions/clauses.

**1.4 Deviations from the FAR (FAR Subpart 1.4)****Individual Deviations**

Process the proposed deviation through PKX for action by PK(Director/Deputy) after coordination by the BOCO, the ESC office responsible for the subject of the deviation, and JA. GSUs will obtain local JA and local policy/clearance review before submitting to PKX.

**1.6 Contracting Authority and Responsibilities****1. Head of Contracting Activity**

CC has redelegated to PK(Director/Deputy) the AFMCFARS 5301.601-91(90) authority to act as Designee of the Head of the Contracting Activity (HCA) for Other Contracting.

**2. Delegation of General Contracting Authority**

a. DAC Programs and Other Contracting. Contracting authority is hereby redelegated to PK(Director/Deputy).

b. CC has redelegated to PK(Director/Deputy), 38 LS/LGC, MSG/PK, and SSG/PK the authority delegated to CC by AFFARS 5301.601-92(c)(2) and AFMCFARS 5301.601-92.

c. PK has redelegated to BOCOs the authority to enter into, execute, award contracts including change orders, supplemental agreements, other contract modifications, and other contract actions that may be required subject to limitations set forth in the FAR, as supplemented.

d. Unless otherwise specified, forward requests for determinations requiring approval or action by higher authority (e.g., the HCA, CC, or PK) to PKX for review before submitting to PK(Director/Deputy) for approval or action.

### **3. CC New Work Talking Paper**

Provide talking paper notification to CC before distributing contracts for new work having an originally estimated value (including the estimated value of options, if any) of \$10,000,000 or more. Limit the talking paper to one typewritten page, in accordance with ECPB Annex 1.1, available on the WWW PK Intranet Home Page, ensuring that the staff summary sheet is signed by the program director (2-Letter). Handcarry the talking paper and the DD-LA(AR) 1279 Report to PK (Director/Deputy) for coordination on the day before the announcement is to occur. After ADO coordination, process the talking paper through the Command Section before it goes to CC. See the "Executive Services Guidebook" for proper Command Section processing, available through CXT or your 2-letter library. The program director will discuss the award with CC (or CD in his absence) to determine who will notify the successful contractor of the award. To preclude a delay when CC and CD are unavailable, the program director will make the notification to the contractor. For PEO programs, follow the same procedures except that the notification to CC is provided for informational purposes only. (GSUs will fax the package to the ADO; the ADO will handle further processing at ESC).

### **4. Other Delegations of Authority**

Forward actions exceeding the 38 LS/LGC, MSG/PK, and SSG/PK monetary limitations within ESC approval authority to PKX for review after completion of local legal reviews. PKX will forward the action to the ESC approval authority.

### **5. PKO Solicitation/Contract Action Review and Approval**

<b><u>FACE VALUE LIMIT</u></b>	<b><u>REVIEW</u></b>	<b><u>APPROVAL</u></b>
Up to \$100K when PCO is GS-11 or Military Non-Branch Chief	PCO	Not Required
Up to \$200K when PCO is GS-12 or Military Branch Chief	PCO	Not Required
Up to \$1M when PCO is GS-13	PCO	Not Required
Over PCO Threshold Up to \$3M	PKX	BOCO
\$3M or More	PKX	SCCO Up to Limit of Delegated Authority

### **6. Additional Documents Requiring PKX Review: (GSUs use local procedures within authority thresholds)**

a. All Two-Step sealed bid acquisitions. Both steps will be reviewed prior to issuance.

- b. When PK is the BCRA, final settlement of all incentive and all redeterminable contracts.
- c. BOAs, regardless of the potential dollar value.
- d. Each instrument or class of instruments, the approval of which is specifically required at PK or HQ AFMC, such as lease agreements.
- e. When PK is the BCRA, all letter contracts before issuance, but not until approved by the appropriate approval authority.
- f. When PK is the BCRA, supplemental agreements incorporating price adjustments made in accordance with the Economic Price Adjustment (EPA) clause of a contract.
- g. Contract files for contracts which have been proposed for transfer to ESC (See also ECPB Subpart 4.95).

#### **7. Contract Actions Not Requiring PKX Review Regardless of Dollar Value**

- a. Definitive actions within the scope of the prior PK or HQ AFMC approval (e.g., exercise of priced options or issuance of delivery orders).
- b. Unpriced orders issued under BOAs.

#### **8. Legal Review**

a. See AFMCFARS and AFFARS 5301.601-94 for legal review requirements. Requests for FAR deviations, and/or contractual matters requiring approval at or above the CC level also require JA coordination. See ECPB Subpart 4.95 for JA review requirements for contracts proposed for transfer to ESC.

b. Legal review of solicitations and contractual documents is required for all ESC Other Contracting actions of \$500,000 or more, including the GSUs(\*), except that legal review of PKO actions is required for actions of \$200,000 or more(\*\*).

(\*) Each GSU, in conjunction with its local legal office, may establish a local legal review threshold (or thresholds) below these amounts, as appropriate.

(\*\*) ESC/PKO may establish lower internal legal review thresholds, as appropriate.

c. When a contract includes a Patent Rights clause, but does not otherwise require legal review by JA, the PCO will send a completed AFMC Form 476, Contractor Invention Monitoring, to JA to ensure that JA can administer the Patent Rights clause.

d. Legal review of incremental funding actions is required only when the action occurs after the contractor has expended all the funds presently obligated to the contract or when the action includes another change (other than administrative) to the contract in addition to the incremental funding change.

#### **9. Notification/Approval of Significant Contractual Actions**

a. The PCO shall notify CC in accordance with (b) below, whenever one of the following actions is proposed on a non-PEO contract; for PEO programs, notify the PEO and provide an information copy to CC.

- (1) Termination (either partial or total)
- (2) Stop Work Order
- (3) Show Cause Notice
- (4) Suspension or Reduction of Progress Payments

b. Except for PKO, all ESC contracting offices shall notify CC and the PEO as follows. PKO may take the above significant contractual actions without following these procedures but must, instead, concurrently notify PK by E-Mail that a significant contractual action is in process.

(1) The PCO will write an item of interest (IOI) outlining the actions being taken, the reasons for the actions, the alternatives considered, and the impact on the contract. If the notification letter to the contractor has been prepared, include a copy with the IOI. If the letter to the contractor is not ready at the time the IOI is submitted, forward an information copy to CC and the PEO within one week of issuance to the contractor.

(2) Coordinate the IOI with the program manager, program/asst program director, and JA. Then submit the IOI to PK through PKX for transmittal to CC and the PEO.

(3) Once CC and the PEO have been notified, PK will instruct the PCO how to proceed.

c. Cure notices may be issued directly upon the approval of the BOCO. Promptly upon issuance, the BOCO will provide an information copy of the cure notice to PK who will, if appropriate, inform CC and the PEO of the action.

#### **10. Ratification of Unauthorized Commitments (GSUs use local JA)**

a. For Other Contracting, see AFMCFARS 5301.602-3. For PEO/DAC programs, see AFFARS 5301.602-3.

b. The responsible two-letter chief, Air Base Wing Commander, or officer in command of the tenant organization in which the unauthorized commitment occurred will transmit to the BOCO that provides contracting support to that organization a complete, documented file pertaining to the unauthorized commitment. This file will be transmitted to the BOCO under a cover letter addressing the considerations at FAR 1.602-3, AFMCFARS 5301.602-3, and each of the following matters in sufficient detail:

- (1) All events/circumstances leading to the unauthorized commitment.
- (2) Why the PCO was not contacted to properly execute the unauthorized act.
- (3) Certification that the affected supplies or services have been received and are useable for the purpose intended or, if not useable, an explanation of their status.

c. The PCO will complete the file by preparing a statement of facts and forward it through the BOCO to JA for coordination, and then to PKX. PKX will review the completed file and prepare it for transmittal to the appropriate ratification authority.

### **11. PCO Warrant Procedures**

a. Selection:

- (1) ESC/PK is the Chair for the ESC(HAFB) and CPSG PCO Review Boards.
- (2) 38 LS/LGC is the designated Chair for the 38 EIW PCO Review Board.
- (3) SSG/PK is the designated Chair for the SSG PCO Review Board.
- (4) MSG/PK is the designated Chair for the MSG PCO Review Board.

b. Appointment:

- (1) ESC/PK is the PCO appointment authority for ESC(HAFB) and CPSG.
- (2) 38 LS/LGC is the delegated PCO appointment authority at 38 EIW.
- (3) SSG/PK is the delegated PCO appointment authority at SSG.
- (4) MSG/PK is the delegated PCO appointment authority at MSG.

c. ESC (HAFB) Process: (This process applies to all PCO selections except for civilians competitively selected to fill GS-13 PCO positions. The need for these positions has already been sufficiently justified as part of the required personnel action, and the qualifications of the candidate(s) formed the basis for the position selection.

(1) Submit each request for designation of PCO in six (6) copies to PK and PKX IN TURN by letter signed by the BOCO of the office in which the PCO will serve. The letter will state the reason for the request; for example, to fill a vacancy, or to establish a new PCO position. The letter will provide full details on the scope and other aspects of the position. Attach the following items to the letter:

(A) Resume, signed by the applicant.

(B) Statement that resume qualifications were verified against applicant's personnel file signed by the gaining immediate supervisor of the PCO position.

(C) Narrations of the last three major contracting actions for which the applicant was responsible. If narrations cannot be furnished, state the reason in the letter.

(D) Evaluation by applicant's current first-line supervisor. Evaluations will be adjective-rated, that is, outstanding, above average, average, marginal or unknown. The supervisor will also support the adjectival rating with a brief narrative for each of the following factors:

(i) Technical competence - understanding of regulations, quality of work produced, soundness of recommendations, solutions, and decisions.

(ii) Quantity of work produced.

(iii) Timeliness - accomplishment of work in order of priority; adherence to pre-established schedules.

(iv) Written communication - expression in a clear, concise, and easily understood manner.

(v) Oral communication - consideration of both face-to-face and conference-type situations, as well as formal briefings, and expression of ideas in concise and convincing manner.

(vi) Cooperation - ability to work cooperatively with and maintain effective relationships with others, willingness to listen to other viewpoints and to assist others.

(vii) Stability - acceptance of criticism without loss of composure or effectiveness and ability to operate under pressure without harmful effect.

(E) Privacy Act statement.

(2) PCO Board Membership.

(A) Upon receipt of a request to appoint a PCO, PK(Director/Deputy) will request the PCO Review Board, as PK's advisor, to review the resume, verify the applicant's qualifications, conduct the interview, and provide recommendations. The Board membership will consist of PK(Director/Deputy), who will serve as Board Chair, representatives from PKX, PKF, the gaining BOCO, and JA. The Chair and each member are voting members.

(B) If the request to appoint a PCO is for a limited PCO position, the PKX Branch Chief will serve as Board Chair. Limited PCO positions apply only to PKO. Limited PCOs are authorized to execute small purchases and issue orders against GSA contracts. Limited PCOs shall not have approval authority greater than a \$100,000 face value threshold.

(3) PCO Review Board Meeting.

(A) Absent the nominee, the Board will first discuss the need for the appointment with the cognizant BOCO. The nominee will then be requested to discuss in depth his or her comprehension of major acquisition topics posed by board members. The PKX representative will keep a running non-verbatim record of the areas of questioning and the adequacy of the responses. Each member of the Board will, on completion of the interview, provide a personal rating on each of the major areas discussed, plus an overall recommendation on the requested appointment. PKX will collect the ratings and provide PK with a summary of the recommendations. At any time during the meeting, the Chair or any member may ask that the requesting authority withdraw the nomination or that the meeting be suspended without prejudice to the nominee.

(B) The Board Chair may seek advice, assistance, or information from any ESC source with respect to the Board's review of an applicant.

(4) After the resume review and personal interview, PKX will prepare and furnish a report of the board findings and recommendations to PK(Director/Deputy) who will decide on each request. If PK(Director/Deputy) does not concur with the appointment, PK(Director/Deputy) will provide the requesting official the reason(s) for nonconcurrence. The requesting official is responsible for advising the applicant. Approved applicants shall file, as appropriate, OGE Form 450, Confidential Financial Disclosure Report, before a warrant may be issued.

(5) PKX will provide the reports to the Board for review and, if necessary, PKX or PK(Director/Deputy) may conduct discussions with the respective BOCO(s). The Board may conduct interviews with individual PCOs and will forward its recommendations and supporting documentation to PK(Director/Deputy) for review and final determination.

(6) PKX is responsible for controlling and maintaining all delegations of PCO authority (warrants). PKX will maintain a file for each PCO. The file will contain, at a minimum, the completed request for appointment, a non-verbatim summary of the meeting, the ratings and recommendations of the board members, a copy of the certificate of appointment issued, and a record of matters relating to the PCO's performance since appointment including, but not limited to, the five-year review.

(7) Submit each PCO warrant renewal request accompanied by a written supervisor's performance evaluation of the employee. To ensure timely processing, provide to PKX at least 30 days before warrant expiration date.

d. GSU Process:

38 LS/LGC, SSG/PK, and MSG/PK will establish procedures to select and appoint PCOs. These procedures shall be modeled after the ESC/PK procedure above but may be tailored to fit local organizational structures. Tailoring shall not result in procedures which are less stringent than the ESC/PK procedure.

## **1.90 Clearance Process (AFFARS Subpart 1.90)**

### **1. Clearance Procedures for Other Contracting**

a. Other Contracting actions shall follow the procedures set forth below and in the AFFARS and AFMCFARS.

b. For sealed bidding actions, both the Invitation for Bid (IFB) and the resulting award document, together with the supporting file, will be reviewed before issuance. Regardless of dollar value, sealed bidding actions will not be reviewed at a level higher than PKX.

### **2. Contract Actions Requiring Review and Approval**

Delegations of review or approval authority for contract actions less than \$5,000,000 shall be in writing over the personal signature and title of the person vested with the authority. A copy of the delegation shall be included in the official contract file.

### **3. Post-Award Review**

a. PKX is responsible for ESC's post-award review program. This will be accomplished through periodic after-the-fact review of randomly-selected contract actions which were below the threshold for review by PKX. These "under-the-threshold" reviews will be performed from the official contract files and will consist of the same type of review that was performed on documents required to be submitted for PKX review. The results of these reviews will be documented and forwarded to the PCO; the PCO will provide PKX a written response to the comments within 30 days after receipt of the comments.

b. MSG/PK, SSG/PK, 38 LS/LGC, and CPSG/RMK are responsible for establishing post-award review programs for their organizations. Said procedures will be locally documented. GSUs will provide a copy of their operating procedures to PKX.

#### **4. Solicitation Review**

a. When PK is the reviewing authority for a solicitation, submit the solicitation and supporting file to PKX/ADO for review. Before releasing the solicitation, the PCO will resubmit the solicitation and supporting file to PKX/ADO to demonstrate satisfactory resolution of all comments. The PCO will then forward the solicitation and supporting file to the reviewing authority, PK.

b. PCOs will thoroughly review all solicitations regardless of dollar value. When the contemplated contract requires BOCO approval, but not PKX/ADO review, the BOCO will review the solicitation prior to issuance.

c. When PKX/ADO review is required, provide PKX/ADO one copy of the solicitation, to include all solicitation attachments and amendments, with two copies of ESC Form 1314 Contract Document Review Record (ESC Form 1314 is not applicable to GSUs), and all documentation required by AFFARS 5301.9007, AFFARS Attachment 5301-1, and AFMCFARS 5301.9007.

e. Solicitation amendments that change only the bid or proposal due date and/or change only the Davis-Bacon or Service Contract Act wage rates need not be submitted to PKX/ADO for review.

#### **5. Request for Business Clearance (RBC) Content**

See the PK Intranet Homepage for the preliminary PNM, PCM, or abstract.

#### **6. Business Clearance Procedures for Competitive and Noncompetitive Acquisitions**

a. Pursuant to AFMCFARS 5301.9090-2, Attachment 5301-90, CC has delegated Business Clearance Approval Authority for Other Contracting Non-Competitive actions, as follows:

<b><u>ESTIMATED VALUE</u></b>	<b><u>AUTHORITY LEVEL</u></b>
≥\$50M to <\$500M	SCCO
<\$50M	COCO

b. When PK is the BCRA, PKX/ADO will assist in this function. PKX/ADO will review the RBC and supporting source documents to ensure that all RBC elements meet applicable standards (see AFFARS



5301.9004 and ECPB Annex 1.2, which is available on the PK Intranet Homepage). The PCO will resolve all comments with PKX/ADO before submitting the RBC to PK.

c. In those cases where PK is the Reviewing Authority, submit the request for solicitation review, request for business clearance, or request for contract clearance to PK with sufficient time for PK's advanced review before any formal review sessions. For solicitations, this means at least three (3) working days before the scheduled RFP release date, or RFP release briefing date.

d. Forward all documents exceeding BOCO approval authority to ESC/PKX/ADO, MSG/PKC, SSG/PKP, or 38 LS/LGCW for review and submittal to the BCAA or CCAA, as applicable. Forward documents exceeding ESC approval authority directly to HQ AFMC/PKA for review and HQ AFMC/PK approval in accordance with AFFARS Subpart 5301.90, and AFFARS Attachment 5301-4.

e. For sole source actions where approval is at the BOCO level, and PKX/ADO has reviewed the action, the PCO will provide PKX/ADO a written answer to comments within 10 days after receipt of the comments, specifying the corrective action taken. For competitive actions, provide the signed contract and supporting file documentation to PKX/ADO for review, if directed by the BCAA, before submittal to the BOCO for approval. Resolve all comments before submittal for approval.

f. The BOCO, when authorized to act as a PCO, will have PCO authority equal to the BOCO's approval authority.

## **7. Request for Contract Clearance (RCC) Content**

See the PK Intranet Homepage for the PNM, PCM, or abstract.

## **8. Contract Clearance Procedures**

When PK is the CCAA, PKX/ADO will assist in this function by reviewing the RCC and supporting source documents. The PCO will resolve all comments with PKX/ADO prior to submittal of the RCC to PK.

## **9. ESC Business/Contract Clearance Procedures for Other Contracting Actions Below \$50,000,000**

a. For contract actions that have a dollar value less than \$5M, the solicitation review, business clearance, and contract clearance requirements prescribed in AFFARS 5301.9007 through 5301.9012 do not apply. However, the PCO will ensure that the objectives of the Air Force clearance process prescribed in AFFARS 5301.9001 are met. This includes performing a review of the proposed contract action and supporting documentation before award. The PCO should consult with management and PK staff on a case-by-case basis, as necessary.

b. PKX/ADO will assist the PCO or BOCO in performing the review function on a case-by-case basis, if requested.

## **2. DEFINITIONS OF WORDS AND TERMS (FAR Part 2)**

### **2.1 Definitions (FAR Subpart 2.1)**

**"Director"** means the Director of Contracting (ESC/PK), also designated as the "Senior Center Contracting Official" (SCCO).

**"Systems Contract" or "Systems Contracting Office"** refers only to contracts or contracting offices located at HQ ESC, Hanscom AFB MA, exclusive of PKO and PKR.

**"Will"** denotes the imperative and must be complied with. It is used interchangeably with the word "shall" in the ECPB.

**"Written" and "in writing"** includes both items written on paper and items furnished using electronic media such as electronic files submitted to an electronic bulletin board and diskettes.

### **3. IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST (FAR Part 3)**

#### **3.1 Safeguards (FAR Subpart 3.1)**

Pursuant to AFMCFARS 5303.104-11-90(a), CC has delegated Procurement Integrity Act violation, or possible violation, reviewing authority to the SCCO.

### **4. ADMINISTRATIVE MATTERS (FAR Part 4)**

#### **4.1 Contract Execution (FAR Subpart 4.1)**

##### **Effective date**

Normally, the effective date will be the same as the mailing (award) date. This is accomplished by typing "Mailing Date" in the effective date block of the appropriate contract document cover sheet.

#### **4.2 Contract Distribution (FAR Subpart 4.2)**

##### **1. Procedures (GSUs use local procedures)**

a. Only the Contract Distribution Office (PKX) will distribute ESC(HAFB) contractual documents. Contracting offices may not distribute executed formal contractual documents. (GSUs will distribute their own documents in accordance with local procedures).

b. Before submitting each new contract to PKX for distribution, the contracting office shall enter into the automated PK Contract Listing Data Base an addressee distribution listing including all necessary contract information. The addresses for the ACO and Auditor should be clearly labeled "ACO" and "Auditor" at the far right side of the first line of the address to ensure proper distribution of the PNM copies. PKX will not distribute a contract until this has been accomplished. The initial accuracy and subsequent maintenance of this listing is the responsibility of the contracting office.

c. Transmit all required documents to PKX using ESC Form 1343 (Contractual Document Transmittal). All items must be appropriately checked and the form signed by the responsible PCO. The PCO will forward to PKX one signed copy and enough reproduced signature copies of contracts or modifications to make complete distribution. The contracting office will also provide PKX a completed and signed letter as

shown at Annex 4.1, available on the WWW PK Intranet Homepage. PKX will date this letter with the contract document mailing date and include with the contractor's copy.

d. In extenuating circumstances requiring distribution of a document before enough copies for complete distribution can be made, the PCO may request that PKX make initial (partial) distribution. If an initial distribution is made, the balance of the full distribution copies is due at PKX NLT 10 working days from the stamped initial mailing date. Initial distribution requires a minimum of three (3) copies:

- (1) Original for the file.
- (2) Contractor copy.
- (3) ESC/FMFC copy.

The PCO is responsible for listing on the ESC Form 1343 which activities, beyond the three listed above for initial distribution, will also receive copies of the contract or modification to accomplish full distribution. At a minimum, this will include:

- (1) Three copies to the contract administration office (CAO) , and
- (2) Other copies as follows:
  - (a) One copy to the official accounting station, which for ESC is DFAS-Dayton
  - (b) One copy to DFAS-CO (when contract is administered by DCMC)
  - (c) One copy to each other unique funding source (e.g., MIPR or other funding sources)

The PCO will return the original ESC Form 1343 to PKX with the full balance of the distribution copies.

e. Contract distribution packages arriving at PKX by 1500 hours will receive a mailing date of the next work day. Documents arriving after 1500 hours will receive a mailing date of two work days later. PKX will not back-date contractual documents.

f. The requirement for using ESC Form 1343 does not apply to PKO; however, the PKO PCO must ensure that all transactions are entered into BCAS before forwarding contractual instruments to PKX for distribution.

## **2. Acquisition Management Information System (AMIS) (Not applicable to GSUs)**

a. It is Contract Distribution Office (PKX) responsibility to enter an AMIS Validation Report (BV1) request into the AMIS every night for all contracts received by 1500 hours. PKX will request a (BV1) every morning. Upon receipt of an error-free validation, PKX will stamp the mailing date on the contract and proceed with distribution in accordance with the current automated distribution listing. (Not applicable to GSUs).

b. The PCO shall, before forwarding contractual instruments to PKX for distribution, ensure that all transactions are entered into the AMIS and that all errors have been corrected. A copy of the AMIS Contract Instrument Edit Validation (BV2) showing "zero errors" shall be included in the buyer's file. PKX will compare the contractual instrument and the final BV1 to ensure that all AMIS forms have been entered correctly. PKX will return any contractual instruments which are found to contain errors or which have not been entered into the AMIS, except in rare cases when critical requirements demand distribution prior to final validation by PKX or error correction. Exceptions require that the PCO process a waiver request through the BOCO for PKX approval before PKX distribution. Waiver requests will be accompanied by the most recent BV2, and shall include definitive reasons for the urgency of the action.

- c. When contractual instruments have been distributed before final PKX validation, PKX will validate these after distribution.
- d. When contractual instruments have been distributed before correction of errors disclosed during AMIS validation, the contracting office shall enter administrative modifications into the AMIS to correct the errors within 10 working days after distribution.
- e. PKX will retain a copy of each waiver request for exception to PKX validation or correction of document in a suspense file. Delay in completing the administrative modification beyond the time limits set in paragraph (d) above requires the contracting office to submit to PKX a justification signed by the BOCO, and a revised schedule.
- f. Where contractual instruments have not been entered into the AMIS prior to distribution, the contracting office will enter the instrument into the AMIS as soon as possible after distribution and notify PKX when processing is complete so that PKX may complete a BV1 Form for that instrument. The BV1 Form (Contractual Instruments Received for Distribution/ Distributed) will be completed only by PKX.

#### **4.6 Contract Reporting (FAR Subpart 4.6)**

##### **1. Processing DD Form 350 and DD Form 1057 (Not applicable to GSUs)**

- a. Complete DD Forms 350 and 1057 using the PMS database, except for PKO actions. Leave Block B3 (Action Date) blank, PKX will complete this at the time of distribution. The PCO is responsible for ensuring that all entries on the DD Form 350/1057 are accurate and complete before submitting the contract document to PKX for distribution.
- b. When a contract document is submitted to PKX for distribution, PKX will review the automated DD Form 350/1057 to verify its accuracy and completeness. If errors are found, PKX will notify the buying office and will not distribute the contract document until the buying office corrects the errors.
- c. For PKO actions, complete DD Forms 350/1057 in BCAS.

##### **3. Procurement Management System (PMS) (Not applicable to GSUs)**

- a. PK(Director/Deputy) through PKX, is the OPR for the Procurement Management System (PMS). In the execution of this responsibility, PK will conduct continuing analyses of PMS data and forward pertinent comments to the appropriate activities. PMS data provides contracting management a tool to assist in the performance of its duties and responsibilities. (Not applicable to GSUs).
- b. All ESC contracting offices, except PKO and the GSUs, will utilize the PMS.

#### **4.8 Contract Files (FAR Subpart 4.8)**

##### **1. Documenting Contractual Actions: Maintenance and Disposition of Contract Files (GSUs use local procedures/PKO is exempt)**

- a. Maintain a "buyer's" file for each contract. This file is to contain a copy of the basic contract and all changes thereto. Annotate the contract, including the statement of work and specifications, to reflect the

currently modified contractual arrangement. Annotations must be clear, but the PCO may decide the method of annotation to be used; for example, pen-and-ink change, paste-over, or slipsheet.

b. The front of the buyer's file will contain a separate summary of contract amounts (e.g., face value, obligations, line item prices, etc.) which are subject to change during the life of the contract. This summary is to provide both the buyer and reviewer a quick reference to check the accuracy of the values being changed. Typical items requiring summarization are obligations, target/estimated amounts, and CLIN prices.

c. Submit the buyer's file to JA and to PKX when their coordination on a contract change is required.

## **2. Contents of Contract Files**

Source selection documentation--Identify, protect, and maintain source selection records in accordance with FAR 3.104 and AFFARS Appendices AA or BB, as supplemented. Direct questions concerning data or documentation likely to constitute source selection documentation, its disposition, and its handling to the ESC Source Selection Officer at the ADO, X3-5853/DSN 478-5853.

## **3. Closeout of Contract Files (GSUs use local procedures)**

The Contract Closeout Group of the Customer Support Team (PKX) is responsible for finalizing the closeout and retirement of contract files. Contracts executed or administered by PKO will use PKO closeout procedures.

## **4. Closeout by the Office Administering the Contract**

a. The contracting office is responsible for ensuring that the contract file (CO/ACO combination file) is transferred, to the Contract Closeout Group.

b. Each contract file must contain a copy of the following documentation, when applicable, or a copy of the letter of requesting for the documentation specified below:

- (1) Evidence of contract physical completion.
- (2) Properly completed ESC Form 1364, Contractor's Performance Evaluation Report for R&D and Systems Contracts.
- (3) Patent disclosure or letter of request.
- (4) Contract Abstract AFSC Form 1426 (PKR only).

## **5. Closeout of Contracting Office Files if Another Office Administers the Contract**

All contract files will be closed out and retired in accordance with the actions listed at ECPB Subpart 4.8, Para 7 below. With the exception of Top Secret contract files, and other specific files which PK(Director/Deputy) determines should be retained in the purchasing office through retirement, contract files shall be transferred to the Contract Closeout Group for retirement.

## **6. Detailed Procedures for Closing Out Contract Files**

The BOCO will ensure that the actions listed at ECPB Subpart 4.8, Para 7 below are completed before transferring the contract file. The BOCO will request contract file transfer by letter containing the

information below. The Chief, Contract Closeout Group, will reply within five days as to the disposition of the transfer request. Do not deliver contract files to PKX until all actions required by the PKX acceptance letter have been completed. After all actions have been completed, make delivery to the Contract Closeout Group within 10 work days.

- (1) Contract number and type (FFP, CPFF, etc.), including date and number of last modification.
- (2) Security classification.
- (3) Date of physical completion.
- (4) Closing date IAW ECPB Subpart 4.8, Para 7 below.
- (5) Closing date if different from (d) above. Include reasons for delay.
- (6) Contract distribution list (hard copy printout).

#### **7. Standard Contract Closeout Actions**

Standard contract closeout actions for transferring physically completed contracts to PKX:

- (1) Review and consolidate contract file
- (2) Review for downgrading/declassifying(\*)
- (3) Request DD Form 1594 from ACO
- (4) Settle level of effort contracts as required
- (5) Submit contract file transfer request
- (6) Review file with PKX pending acceptance
- (7) Determine final cost/negotiate incentives(\*\*)
- (8) Prepare contract modification for transfer of PCO responsibility(\*\*\*)
- (9) Deliver contract file to PKX

(\*) Consolidate all classified material into as few folders as possible. Hand-deliver to the person in PKX who accepts the contract a list of all classified documents contained in the files identifying the title of each document and the folder number in which it is located.

(\*\*) Due to the extended time required to negotiate overhead rates, allow a 36-month period for overhead settlements.

(\*\*\*) Transfer of PCO responsibility is not necessary if DD Form 1594, Contract Completion Statement, has been processed.

#### **4.70 Uniform Procurement Instrument Identification Numbers (PIINs) (DFARS Subpart 4.70)**

##### **ESC PIIN Register (GSUs use local procedures)**

PKX is responsible for maintaining registers for the control of all PIINs required for ESC(HAFB) contracting actions, except for PKO which will maintain separate registers for its contracting actions. Contracting office personnel shall obtain PIINs by using the PK Automated Contract Instrument Log (ACIL). Should ACIL be non-operational for an extended period, obtain PIIN assistance by calling PKX at X3-8021.

#### **4.95 Accepting Transfer of a Contract (ESC Process)(GSUs use local procedures)**

ESC buying offices will not agree to accept transfer of a contract for management and administration until the contract has been reviewed by both PKX and JA, and PK(Director/Deputy) approves the transfer. The JA and PKX reviews will encompass the complete contract, including all modifications and the entire contract file. If it is impracticable to obtain the complete file, the request for PKX and JA review will explain why this is so. PKX and JA will determine if a satisfactory review may be performed without the file documentation. The review will determine whether: the contract is legally sufficient, all necessary approvals have been obtained, the contract is compatible with the contract formatting used at ESC and with the AMIS (the contract must be entered in AMIS before acceptance), the contract contains all required and applicable clauses, and the contract represents a sound business arrangement. PKX and JA will report their findings to the gaining PCO. Each organization's comments must be resolved before forwarding the request to PK for approval. The request will be signed by the gaining PCO and coordinated by the program manager, the BOCO, JA, FM, and PKX before to submittal to PK.

## **5. PUBLICIZING CONTRACT ACTIONS (FAR Part 5)**

### **5.2 Synopses of Proposed Contract Actions (FAR Subpart 5.2)**

#### **1. Ombudsman CBD Notice (GSUs use local ombudsman and procedures)**

The ESC Ombudsman is Colonel Lee E. Hughes, ESC/CX, at (617) 377-5106.

#### **2. Synopsis Preparation**

In Item 17, Description, of the FAR synopsis standard format (see FAR 5.207(b)(4), include the requirement that the synopsis respondent is to specify in its response whether it is a large business, small business, small disadvantaged business, 8(a) concern, or women-owned small business. Also require that respondents specify whether they are a U.S.- or foreign-owned firm.

#### **3. Synopsis Coordination**

Synopses may be transmitted either manually or electronically, but the preferred method for transmitting synopses is the CBD Express. Under either procedure, obtain prior coordination from the following: the requirements office Director or Program Manager, the BOCO, PKX, and BC. Obtain coordination according to the transmittal method chosen:

(1) If using the manual procedure, provide hard copies of the staff summary sheet and synopsis to the requirements office, PCO, and PKX in turn. BC will sign the synopsis and distribute the synopsis to the CBD.

(2) If using the CBD Express, obtain coordination simultaneously via electronic mail with all offices. Use the CBD Express instruction manual available from BC. Forward the synopsis to BC after coordination via diskette or via equivalent digital data transfer process. BC will transmit the synopsis to CBD Express which will in turn transmit to the CBD, usually for next day publication.

(3) The following exception to notice of contract action (NOCA) synopsis coordination applies to PKR only. When NOCA Item 17, Description, is the same as the Sources Sought Synopsis Item 17, the NOCA need not be re-coordinated with the requirements office Director or Program Manager, the BOCO, and PKX.

### **5.3 Synopses of Contract Awards (FAR Subpart 5.3)**

#### **1. Synopses of Contract Awards**

BC will prepare and submit synopses of contract awards to the CBD.

#### **2. Announcement of Contract Awards (GSUs use similar local procedures)**

- a. PKX is the control office for DD-LA-(AR) 1279 Reports (see AFFARS 5305.3).
- b. The PCO/Buyer shall provide PKX the 1279 Report on official letterhead at least three (3) work days before the anticipated award date (E-mail is preferred). In the "FROM" block, type "ESC/PKX, 104 Barksdale Street, Hanscom AFB MA 01731-1806." Do not date or sign the report, PKX will do this. For paragraph 1, Proposed Release Date, enter "Will advise."
- c. PKX will review the report, sign and date it, and transmit it via facsimile to SAF/LLP, telephonically verify with SAF/LLP that it was received, and notify the PCO/Buyer of same.
- d. The PCO/Buyer shall, after ensuring that all actions have been completed to allow contract award, notify PKX at least three (3) work days, but in no event later than 0900 on the planned award date, that the contract is ready for award. PKX will immediately call SAF/LLP to obtain clearance for award on the planned award date.
- e. When SAF/LLP approves the planned award date, PKX will notify the Contract Distribution Office, PKX, and the PCO/Buyer by E-mail that 1279 clearance was obtained and that the contract may be distributed after 1700 hours, Washington, DC time on the planned award date. If SAF/LLP does not approve the planned award date, PKX will advise PKX and the PCO/Buyer of the actual approved award date.
- f. Once SAF/LLP approves an award date, no formal or informal announcement of contract award to the contractor (or any other party) is permitted until after 1700 hours, Washington, DC time. When PK is directed by higher authority to withhold notification to the contractor, PK(Director/Deputy) will immediately notify PKX and the PCO/Buyer not to release any information concerning the contract until otherwise directed.

### **5.4 Release of Information (FAR Subpart 5.4)**

#### **Publications Release (GSUs use local public affairs office)**

It is Air Force policy to encourage publication of scientific and technological advances and information developed under its contracts. The Public Affairs Office, ESC/PAM, must review and clear all planned publications and all forms of publicity relating to information developed under ESC contracts for the approval of the PCO.

### **6. COMPETITION REQUIREMENTS (FAR Part 6)**

#### **6.3 Other Than Full and Open Competition (FAR Subpart 6.3)**

##### **1. Justifications**



a. For all J&As, use the AFMC J&A Preparation Guide available on the WWW and replace the JRD with the format obtainable from the ADO.

b. Each contracting office will assign sequential numbers for J&As, e.g., ESC/AVK 97-01.

## **2. Approval of the Justification**

\$500,000 to \$10,000,000 (Programs within the DAC portfolio). CC has delegated J&A approval authority to the ESC Competition Advocate, PK(Director/Deputy).

## **7. ACQUISITION PLANNING (FAR Part 7)**

### **7.1 Acquisition Plans (FAR Subpart 7.1)**

#### **1. General**

a. For all APs, use the AFMC Acquisition Plan Preparation Guide available on the WWW and replace the cover sheet with the format obtainable from the ADO. For SAMPs, use the SAF/AQC SAMP Guide available on the WWW.

b. The ADO will transmit APs to the PEO for the Program Directors.

#### **2. Review and Approval Thresholds**

See DFARS, AFFARS, and AFMCFARS Subparts 7.1 for AP review and approval thresholds.

## **8. REQUIRED SOURCES OF SUPPLIES AND SERVICES (FAR Part 8) - No ECPB Coverage**

## **9. CONTRACTOR QUALIFICATIONS (FAR Part 9)**

### **9.4 Debarment, Suspension, and Ineligibility (FAR Subpart 9.4)**

#### **1. Use of lists (GSUs use local procedures)**

The PCO or buyer will document the file at Tab 1 (AF Form 3019) for each contracting action, including solicitations, to verify that contractors or prospective contractors are eligible for award. The Excluded Parties List System (EPLS) is the final authority for determining the current status of suspended or debarred contractors. The EPLS is available on the WWW PK Intranet Homepage. PKX is the OPR for the EPLS. For listed firms, proceed in accordance with FAR 9.405 and AFMCFARS 5309.405-1(90). PKO will verify by annotating the source list (AFMC Form 84) and the abstract of bids/proposals.

#### **2. Suspension/Debarment Process (GSUs use similar local procedures)**

PKX is the OPR for control and processing of suspension and debarment reports. The PCO will coordinate all recommendations for suspension/debarment through PKX, JA, and PK(Director/Deputy) before submitting to the debarring official (SAF/GCR). Upon ESC concurrence in the recommendation, the

PCO will submit the recommendation directly to SAF/GCR and provide copies to PKX, HQ AFMC/PKM, and AFMC LO/JAF.

## **10. MARKET RESEARCH (FAR Part 10) - No ECPB Coverage**

## **11. DESCRIBING AGENCY NEEDS (FAR Part 11) - No ECPB Coverage**

## **12. ACQUISITION OF COMMERCIAL ITEMS (FAR Part 12) - No ECPB Coverage**

## **13. SIMPLIFIED ACQUISITION PROCEDURES (FAR Part 13)**

### **13.1 General (FAR Subpart 13.1)**

#### **Operational Contracting Support to Systems Contracting Offices (Not applicable to GSUs)**

PKO may, based on manpower constraints, make off-the-shelf, local, Simplified Acquisition Procedure purchases (under \$100,000) and purchases of items available from the Federal Supply Schedules, Government Printing Office, Federal Prison Industries, National Industries for the Blind, and National Industries for the Severely Handicapped, Inc. for a systems contracting office.

(1) To obtain PKO support for the purchase of services, submit to PKO a funded AF Form 9, Purchase Request, structured in accordance with AFM 70-33, Vol I, Attachment 9.

(2) To obtain a non-expendable supply item, submit a request to Base Supply (66SPTG/LGS). Should Base Supply determine that an AF Form 9 is to be used, the following apply:

(A) The AF Form 9 must be structured in accordance with AFM 70-33, Vol I, Attachment 9.

(B) Coordination by Base Supply must appear on the AF Form 9 as well as verification that the item is not centrally acquired or, if it is, documented proof that a waiver to locally purchase the item has been granted by the PKO Division Chief.

(C) All items must be assigned stock numbers by base supply before submittal to PKO.

(D) All purchase requests must identify the supply/property account custodian to which the item(s) will be delivered, and who will accept and control the item.

(3) Limitations to PKO's authority to provide this support are:

(A) With the exception of commercial software that will be purchased without modification, PKO cannot purchase software and data of any kind.

(B) For Federal Supply Schedule (FSS) items, the systems buying office shall make the purchase if the requirement exceeds the maximum ordering limitation on the GSA contract.

(C) Requests for items to be provided to contractors as Government Furnished Property (GFP) must be coordinated through the appropriate program/project manager, with the assistance of program/project office manufacturing personnel and the systems contracting PCO.

- (4) Coordinate exceptions to any of the above procedures with the PKO Division Chief.

## **14. SEALED BIDDING (FAR Part 14)**

### **14.2 Solicitation of Bids (FAR Subpart 14.2)**

#### **IFB Summary Letters (Not applicable to GSUs)**

Use IFB summary letters (see ECPB Subpart 15.4) on major IFBs. Major IFBs are those which will result in systems contracts over \$2 million, or which are designated by CC or CV as major.

### **14.5 Two-Step Sealed Bidding (FAR Subpart 14.5)**

#### **Step One (GSUs use local JA)**

Coordinate the determination and notice of unacceptable technical proposal with JA. If the estimated face value of the contract action (including options) exceeds buying office approval thresholds, coordinate the determination and notice through PKX to PK(Director/Deputy) for approval. Otherwise, approval of the determination and notice shall be not lower than one level above the PCO. Contact the ADO for sample notifications to unsuccessful bidders.

## **15. CONTRACTING BY NEGOTIATION (FAR Part 15)**

### **15.4. Solicitation and Receipt of Proposals and Quotations (FAR Subpart 15.4)**

#### **1. RFP Reference Room (Not applicable to GSUs)**

a. Establish RFP reference rooms when conducting competitive systems acquisitions which require written acquisition plans (see DFARS 207.103(c) and AFFARS 5307.103(c)). The RFP reference room will contain documents referenced in the RFP which are not available via the WWW HERBB. The room will be available to all prospective offerors who meet applicable security requirements. Procedures for establishing an RFP reference room are outlined below:

- (1) The applicable program/project manager will be the OPR for the reference room.
- (2) Each OPR will develop specific rules for the use of the reference room by potential offerors; e.g., sign in/sign out procedures, hours of operation, etc. The rules will contain provisions to allow offerors to copy documents or extracts.
- (3) The OPR will provide a copy of the reference room rules to the PCO.
- (4) Locate the reference room on Government premises. (Government-occupied facilities at MITRE are considered Government premises).
- (5) Establish the reference room sufficiently in advance of an RFP to allow potential offerors adequate research time. It may be established when the first of the RFP sections is available in draft form. Add other pertinent documents as they become available.
- (6) Close the reference room on the date proposals are due.

(7) The Commerce Business Daily is the medium for notifying potential offerors of the establishment of the reference room. Include the following statement in the synopsis announcing the reference room: "The establishment of this RFP reference room does not obligate the Government to award a contract, nor does it restrict the Government as to its ultimate acquisition approach."

(8) The OPR will develop and update as necessary an index of all documents in the reference room.

(9) Treat all potential offerors fairly and equally in the use of the reference room.

(10) The reference room shall not contain third party proprietary data, documents that are available via the WWW, or documentation that might jeopardize the integrity of the acquisition.

## **2. Use of Draft Requests for Proposals (DRFPs)**

All required DRFPs will be released to industry via the WWW HERBB. GSUs may use either the WWW HERBB or local bulletin boards.

## **3. Contract Writing (GSUs use local procedures)**

a. PKX will write all contractual documents and solicitations except:

(1) Amendments to solicitations. However, PKX must make all changes to the model contract portion of the solicitation amendment. Exceptions to this policy require the prior approval of the PKX Branch Chief. If an exception is granted, provide a copy of the changes to PKX before the release of the document.

(2) Short form research contracts (SFRC).

(3) Changes to letter contracts involving only revisions in funds or changes to the definitization schedule.

(4) Contract modifications.

b. The PKX Branch Chief may waive the mandatory requirement to utilize PKX for contractual document preparation. Submit waiver requests to PKX before the fact, stating the reason for waiver and the urgency of the action. If the request is verbal, confirm in writing.

c. Procedures:

(1) Submit requests for writing solicitations and contract instruments to PKX, using an ESC Form 1310 (Request for Contractual Instrument).

(2) Include a completed Document Writing Checklist in RFP requests. In lieu of the checklist, a marked-up copy of the solicitation may accompany the request.

(3) The contracting office is responsible for the reproduction of the instrument to fully accomplish the coordination and review process. Subsequent to reviews, PKX will make the necessary revisions.

(4) The BOCO will make written coordination on requests for priority handling of contractual actions.

(5) Make the ESC Form 1310 part of the official contract file.

d. Contract writing data base and document file:

(1) Data Base. PKX will maintain a central computerized data base consisting of sections A through M for solicitations and contracts. It will modify the data base to incorporate changes necessitated by revisions to the FAR, its supplements (DOD, AF, AFMC), or policy changes. It will also maintain and update a data base checklist.

(2) Document file. PKX will maintain a central computerized document file which will contain all solicitations and contracts it writes. Solicitations will remain on file only until PKX begins preparing the resulting contract documents. Once the contract has been distributed, upon buying office request, PKX will provide an electronic copy of the document to the originating contracting office.

#### **4. Updates to Solicitations Prior to Award**

Updates to contract provisions included in RFPs are not required solely to incorporate FACs, DACs, etc. received after the release of the RFP. However, clauses and provisions directed for inclusion by law or regulation on a specified date shall be incorporated into RFPs or requests for best and final offers (BAFOs). In either case, identify the inclusion of mandatory clauses and provisions to all offerors which have submitted proposals.

#### **5. Pre-Solicitation/Pre-Bid/Pre-Proposal Conferences**

Do not incorporate copies of conference/briefing questions and answers into the RFP/IFB. If the RFP/IFB requires revision due to conference/briefing questions and answers, process a formal RFP/IFB amendment to incorporate specific revisions.

#### **6. Incorporation of Technical Proposal (GSUs use local procedures)**

Incorporating contractor technical proposals is most appropriate when contracting for R&D studies and analyses. This occurs primarily in PKR acquisitions. In systems contracting, do not incorporate contractor technical proposals; however, you are encouraged to "capture" unique contractor technical approaches by means of statement of work changes, or other methods, short of technical proposal incorporation. Do not incorporate the contractor's cost proposal.

### **15.5 Unsolicited Proposals (FAR Subpart 15.5)**

The ESC focal point for the receipt and processing of unsolicited proposals is XRR at MITRE extension 186-4718 or commercial (617) 271-4718.

### **15.6 Source Selection (FAR Subpart 15.6)**

#### **Best and Final Offers (GSUs use local JA)**

When discussions have been held, before forwarding the contracts to the offerors for signature; or when using the “split process,” before requesting the complete proposal; or when awarding without discussions following initial evaluation of complete proposals, the PCO will resolve all business clearance comments with the BCAA/BCRA. Provide the responses to the comments to the BCRA who will, in turn, coordinate the response with the BCAA. When PK is the BCRA, clear responses with PKX before submittal to PK. Do not release the request for BAFO until a satisfactory resolution to the comments is reached by the BCAA/BCRA.

## **15.8 Price Negotiation (FAR Subpart 15.8)**

### **1. ESC Cost/Price Information Matrices & Templates (GSUs use local procedures)**

The PCO may use the cost/price information matrices contained on the PK Intranet Homepage (see paragraph 10, below) as a guide to the types of cost/price information that can be requested in both competitive and non-competitive solicitations. The purpose of the templates is to identify in section L of the RFP the cost or pricing data or other information to be submitted in support of proposals. Use of contractor reports or formats is required and should be used in all cases where they provide the information identified by the templates. PCOs are encouraged to involve PKF in the template selection process. When PKF involvement is not obtained, if the estimated value of the action exceeds the thresholds for PKF analysis (paragraph 3, below), PCO must coordinate the choice of templates with PKF before inclusion in the solicitation.

### **2. ESC Procedures for Defective Cost or Pricing Data (GSUs use local JA and Pricing)**

a. The Pricing Division (PKF) is the OPR for recording and tracking all post-award DCAA, GAO, and other Government activity defective pricing allegations. PKF will ensure that all defective pricing audit reports and dispositions are reported in accordance with AFFARS 5315.891.

b. Procedures:

(1) Upon receipt of a post-award report alleging defective pricing, whether initiated by the CO, ACO, DCAA, GAO, or other Government activity the PCO will send a copy to JA and promptly establish milestone dates for accomplishing each major step in the resolution process in accordance with the following time standards:

<b><u>EVENT</u></b>	<b><u>DAYS AFTER AUDIT RECEIPT</u></b>
PCO Receipt of Audit	---
Send copies to JA and PKF requesting input	5
PCO initial analysis to JA	15
PCO letter to Contractor providing audit copy and asserting basis for defective pricing	20
Receipt of Contractor response and input from JA and PKF	50
Receipt of supplemental audit/evaluation of Contractor rebuttal, if necessary	95
Establish negotiation objective and obtain Business Clearance	110
Complete negotiations	140

Obtain Contract Clearance	175
Distribute supplemental agreement	180

Note: If the Government cannot negotiate a timely settlement due to an unresponsive contractor, the PCO should consider determining the price adjustment unilaterally under the "Disputes" clause within 180 days of receipt of the audit.

(2) Forward a copy of the audit report with a request for price analysis using Local Use Form 1436, Request for or Waiver of Price/Cost Analysis, and a copy of the milestone schedule to PKF. The Form 1436 is available on the PK Intranet Homepage (See paragraph 10, below). (GSUs use local procedures).

(3) Provide the PCO's initial analysis to JA within 15 days after receipt of the audit report. The PCO may use the "PCO Checklist for Defective Pricing Audits," in developing the initial analysis. The checklist is available on the PK Intranet Homepage (see paragraph 10, below). Hold a discussion with JA before preparing the initial written analysis if the initial analysis shows that the audit is unsupported or that there is no defective pricing. If the PCO determines that defective pricing does not exist, and does not accept the DCAA recommendations on the basis that pertinent data was not withheld, or that the Government evaluators were aware of the data, the PCO shall document the file accordingly. Forward the file for review by the BOCO.

(4) When the buying office has advance notice from DCAA of defective pricing, work the issue on the basis of a draft DCAA report so that the formal audit can be disposed of more timely.

(5) To foster timeliness and efficiency, do not make unnecessary requests to DCAA for additional data. Accordingly, written requests to DCAA for additional information on defective pricing audits require BOCO approval.

(6) The PKF price analyst will review the audit report and related documentation; obtain any additional information required from legal, technical, and other contracting advisors; and prepare and submit to the PCO a written recommended Government position. The PCO will review the PKF report, and, if in agreement, will sign and date it to show concurrence. If not in agreement, prior to signing, the PCO will coordinate with PKF to revise the report, to the mutual satisfaction of both parties. The date the report is signed by the PCO will be deemed the resolution date for reporting purposes.

(7) Use a team approach in evaluating complicated defective pricing cases (i.e., periodic meetings of DCAA, PKF, JA and contracting personnel). The PCO will chair the team. This should reduce lead times and eliminate communication gaps.

(8) Upon receipt of the PKF recommendation, the PCO will request Business Clearance. Management will review Government objectives, including legal advice, before the Government's position is presented to the contractor.

(A) If defective pricing exists, the PCO will initiate the necessary action with the contractor to recover amounts due the Government. PKF will participate and will prepare the memorandum required by FAR 15.804-7. Each memorandum will contain the rationale for, and details of, actions taken by the PCO relative to the defective pricing, and will be signed by the price analyst, reviewed and signed by the

supervisory contract price analyst, and approved and signed by the PCO. Distribute defective pricing memoranda the same as Price Negotiation Memoranda (PNM).

(B) Before the PCO negotiates an agreement, or issues a final decision, which may result in a defective pricing reduction at an amount less than the "amount questioned" by DCAA in the relevant audit report, the PCO shall submit the file to PK (Director/Deputy) for review and approval.

(9) Normally, resolve defective pricing by negotiation. However, where the contractor is unresponsive but the Government is clearly convinced there is defective pricing, the PCO should seriously consider using a final decision pursuant to the "Disputes" clause without waiting further for contractor inputs.

c. The Government is entitled to interest on any overpayment due to defective pricing. The requirement to collect the interest and the computation methodology are set by statute, and, therefore, are non-negotiable (i.e., no compromise is allowable, even as part of an overall settlement). Because the interest computation requires that the amount of overpayment be determined by calendar quarter, DCAA's assistance will usually be needed to compute the interest due.

### **3. Requesting or Waiving Pricing Support (GSUs use local procedures)**

a. Unless waived in accordance with c., below, PKF shall perform price or cost analysis on all actions above the following thresholds:

<u>Type of Action</u>	<u>Threshold</u>
Systems Contracting	\$5,000,000
R&D Contracting	\$5,000,000
Operational Contracting	\$300,000

b. The PCO may request that PKF perform cost or price analysis for any negotiated contractual action, regardless of value, if in the PCO's judgment it is in the best interest of the Government. Each request shall specify why PKF support is necessary.

c. PKF may waive the requirement for PKF pricing support at the request of the BOCO. If a waiver is granted, before submitting the contractual action for contract clearance (if required), the final price negotiation memorandum must be reviewed and signed by the Chief of Pricing. Request waiver using Local Use Form 1436 available on the PK Intranet Homepage (see paragraph 10, below); in addition to the instructions contained on Form 1436, the following guidance applies to Block 3. of the form:

(1) State the reasons waiver is requested (e.g. - low dollar value; low complexity; highly labor intensive; little or no materials involved; on-going experience with the contractor(s); rates and factors readily available from (identify source); etc.). Be specific and detailed.

(2) Indicate how the fairness and reasonableness of each major cost element will be determined and indicate the source and currency of the information.

d. The granting of a waiver does not preclude the PCO from requesting informal PKF support and PKF will remain available to provide advice as necessary.

### **4. Proposal Analysis & Negotiation - PCO Responsibilities**



a. Upon proposal receipt, the PCO shall:

(1) Obtain verification from the Program Manager/Project Monitor that the proposal is technically compliant with the RFP.

(2) Verify that the proposal is fully responsive to the terms and conditions of the RFP and that the contractor submitted cost or pricing data in compliance with Public Law 87-653 (the Truth in Negotiations Act) in the type and format described in the RFP. The PCO may use the ESC Cost Proposal Checklist available on the PK Intranet Homepage to evaluate the adequacy of any initial proposal or subsequent revision (see paragraph 10, below).

b. Upon compliance with the above, the PCO shall:

(1) Request the Program Manager/Project Monitor perform an evaluation of the technical content of the cost proposal as to labor categories and hours, quantities and types of materials, extent and need for travel, and any other direct estimated cost elements. The request for technical evaluation shall be coordinated with the PKF price analyst to ensure the evaluation results in appropriate data being provided in a useable format. The evaluation shall clearly indicate the methodology used by the evaluator, and the basis for the conclusions reached. Technical evaluations must be reviewed and signed by the responsible Government Program/Project Manager. After verifying the adequacy and quality of the evaluation, forward a copy to the PKF price analyst.

(2) For actions above the thresholds set forth in paragraph 3, above, submit a request for cost/price analysis to PKF, using Local Use Form 1436 available on the PK Intranet Home Page (See paragraph 10, below).

(3) For actions below the thresholds, or where PKF support is waived, ensure that required cost or price analysis is performed and the contract file documented accordingly.

c. When requesting field pricing support, use one of the two sample request letters available on the PK Intranet Homepage (See paragraph 10, below). One is for use when requiring cost analysis, audit review, and technical evaluation by the field component; the other is for use when the ESC program office/laboratory will accomplish the technical evaluation and only audit is required. In all cases, tailor the request to the instant acquisition.

d. When establishing acquisition milestone schedules, PCOs shall allow sufficient preparation time for all members of the negotiation team, including field pricing, audit, and PKF pricing personnel. Coordinate proposed Business Clearance briefing and negotiation schedules with PKF well in advance to ensure price analyst availability.

e. The PCO or buyer (contract negotiator/contract manager) will normally be the lead negotiator. The lead negotiator should conduct a pre-negotiation conference to ensure that each negotiation team member understands the Government position and strategy before the actual negotiation commences.

f. The PCO shall ensure that complete agreement has been reached with the contractor and pertinent Government agencies regarding the statement of work and all contract terms and conditions before reaching a final negotiated price settlement.

**5. Proposal Analysis & Negotiation - Pricing Personnel Responsibilities**

a. Upon request, PKF will provide advice and assistance to the PCO in determining appropriate contract type, the extent and type of analysis required, acquisition milestone schedules, structuring of incentives, format and special instructions relating to the type and extent of cost or pricing data required to be submitted, etc.

b. Upon request, PKF will prepare and transmit to the ACO and/or cognizant audit office a detailed request for cost analysis and/or audit review. Requests will specify areas of analysis, types of information required, and the date ESC requires the report.

c. PKF will integrate field and technical input together with comparative price analysis data, prepare a written preliminary price negotiation memorandum and/or pricing portions of the business clearance briefing, as required.

d. Within five (5) working days following completion of negotiations, PKF will submit to the PCO a final price negotiation memorandum, in original and three (3) copies.

**6. Field Pricing Support - DCAA Procurement Liaison Auditor (PLA) (GSUs use local PLA, where available)**

DCAA has designated a PLA for ESC who is collocated with PKF. The PLA may be contacted at (617) 377-2627. PCOs are encouraged to use the services of the PLA which include advice on accounting and financial matters, coordination of audit requests and services, counsel on Audit Reports, arranging for DCAA support at negotiations, specialized training and support.

**7. Price Negotiation Memorandum (GSUs use local procedures)**

A sample PNM which conforms to the AFMC Form 368 is available on the PK Intranet Homepage (See paragraph 10, below). Include a copy of the AFMC Form 368 in the contract file when the buyer or PCO prepares the PNM.

**8. Specialized Negotiation Memorandums**

A sample PCM which conforms to the AFMC Form 368a is on the PK Intranet Homepage (See paragraph 10, below).

**9. Follow-Up on Contract Audit Recommendations (Implementation of DoDD 7640.2) (GSUs use local Pricing/Policy Office)**

a. Documenting final disposition of contract audit reports:

(1) Coordinate all correspondence and memoranda through PKF and PKX before transmittal to the auditor.

(2) The PCO will process audit report disposition notifications to the cognizant auditor through PKF.

b. When definitive price negotiations are expected to exceed the dollar limitations specified in paragraph 3, above, PKF shall participate in pricing claim and final repricing proposals. Report to PKF those pricing

actions below the dollar limitations indicated in the ECPB which have DCAA audit recommendations that meet the criteria for reporting.

c. PKF is the single ESC focal point for administering reportable contract audits from the date of receipt through final disposition. PKF will update the required reporting system based on inputs from the three-letter contracting offices at least monthly. In addition, PKF will prepare the semiannual report and verify this report against the list of reportable audits submitted by DCAA.

(1) PKF will submit the semiannual status reports for the periods ending 31 March and 30 September to arrive at HQ AFMC/PKPC within ten calendar days after the end of each period.

(2) PKF will update the HQ AFMC PK Audit Reporting System (PARS) database on quarterly basis. (GSUs submit to PKF by the third calendar day after the end of each quarter).

#### **10. Obtaining PKF Documents on the WWW PK Intranet Homepage**

a. PKF documents are available on the PK Intranet Homepage at the following URL address: [http://www.esc.hanscom.af.mil/PK/PKF/pr\\_lguid.htm](http://www.esc.hanscom.af.mil/PK/PKF/pr_lguid.htm). To use these documents, you must download them to a drive and directory of your choice using your web browser (e.g., Netscape™, Mosaic™, Microsoft Internet Explorer™).

b. The following resources referenced in ECPB Subpart 15.8 (as well as other useful guides and templates) are available on the PK Intranet Homepage with the indicated file name:

<u>Document</u>	<u>ECPB Reference</u>	<u>File Name</u>
Cost Information Matrices	15.8, para 1	cstmtrx.doc
Cost Templates	15.8, para 1	formats.doc
Defective Pricing Audit Checklist	15.8, para 2	annex15_3.doc
Local Use Form 1436 - Price/Cost Analysis Request/Waiver	15.8, para 2 & 3	esc1436.frp
Cost Proposal Checklist	15.8, para 4	prpcklst.doc
Request for Field Pricing Support	15.8, para 4	prcerqst.doc
Request for Audit	15.8, para 4	dcaarqst.doc
Price Negotiation Memorandum	15.8, para 7	pnm368.doc
Price Competition Memorandum	15.8, para 8	pnm368a.doc

#### **15.10 Preaward, Award, and Postaward Notifications, Protests, and Mistakes (FAR Subpart 15.10)**

##### **Debriefing of Successful and Unsuccessful Offerors (GSUs use local procedures)**

The ADO and JA will review and coordinate all proposed debriefing charts for formal source selections (AFFARS Appendices AA and BB) for both successful and unsuccessful offerors. See AFFARS Appendix AA or BB, as supplemented, for ground rules and procedures. Contact the ADO for debriefing templates.

## **16. TYPES OF CONTRACTS (FAR Part 16)**

### **16.4 Incentive Contracts (FAR Subpart 16.4)**

#### **Cost-Plus-Award-Fee (CPAF) Contracts**

a. PKX/ADO and PK will review and coordinate all award fee plans and significant changes to plans before submittal to the FDO for signature.

b. Each award fee determination decision on contracts having a total award fee pool exceeding \$3 million requires CC review. Submit the award fee decision package to CC on a staff summary sheet through PK, and CD.

### **16.6 Time-and-Material, Labor-Hour, and Letter Contracts (FAR Subpart 16.6)**

#### **Letter contracts**

Submit requests for letter contracts requiring CC/CV approval through PKX/ADO. Process requests for amendments to letter contract authority similarly.

## **17. SPECIAL CONTRACTING METHODS (FAR Part 17)**

### **17.74 Unfixed Contract Actions (DFARS Subpart 17.74)**

#### **Authorization**

Pursuant to AFMCFARS 5317.7404-1(a)(1)(ii), CC has redelegated Unfixed Contract Action approval authority for Other Contracting actions up to \$10M to the SCCO.

## **18. RESERVED IN FAR (FAR Part 18)**

## **19. SMALL BUSINESS PROGRAMS (FAR Part 19)**

### **19.5 Set-Asides for Small Business (FAR Subpart 19.5)**

#### **Rejecting Set-Aside Recommendations (GSUs use local procedures)**

a. If the small business specialist recommends that a proposed acquisition be set-aside, the small business specialist will return the unsigned DD Form 2579 to the PCO. If the PCO disagrees with the set-aside recommendation, the PCO will furnish written notice to the Small Business Office in accordance with FAR 19.505(a) and 19.506(a).

b. Coordinate the file supporting the Government position on a set-aside appeal through BC, JA, and PKX before submittal to PK(Director/Deputy). In addition, prepare a transmittal letter for PK(Director/Deputy) signature forwarding the file to HQ AFMC/PKD.

### **19.7 Subcontracting with Small Business, Small Disadvantaged Business, and Women-Owned Small Business Concerns (FAR Subpart 19.7)**

#### **Reviewing the Subcontracting Plan**

a. The PCO shall document each subcontracting plan review on the Subcontracting Plan Review and Analysis Checklist included at ECPB Annex 19.1, available on the PK Intranet Homepage. For "Changes" clause contract modifications, complete only the initial part of the checklist through item number three (3). In either case, the buyer and the PCO will sign the checklist.

### **19.8 Contracting With the Small Business Administration (The 8(a) Program) (FAR Subpart 19.8)**

#### **SBA Appeals (GSUs use local small business specialist, JA, and clearance before submitting to PKX)**

Upon receipt of SBA appeal notification on an 8(a) program, coordinate the file required by AFFARS 5319.810(b) through BC, JA, and PKX before submittal to PK(Director/Deputy). Prepare a transmittal letter for PK(Director/Deputy) signature forwarding the file to HQ AFMC/PKD.

### **20. RESERVED IN FAR (FAR Part 20)**

### **21. RESERVED IN FAR (FAR Part 21)**

### **22. APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS (FAR Part 22) - No ECPB Coverage**

### **23. ENVIRONMENT, CONSERVATION, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE (FAR Part 23) - No ECPB Coverage**

### **24. PROTECTION OF PRIVACY AND FREEDOM OF INFORMATION (FAR Part 24) - No ECPB Coverage**

### **25. FOREIGN ACQUISITION (FAR Part 25)**

#### **25.3 Balance of Payments Program (FAR Subpart 25.3)**

Pursuant to AFMCFARS 5325.302(b)(ii), CC has redelegated Balance of Payments Program determinations for actions not to exceed \$500,000 to the SCCO.

### **26. OTHER SOCIOECONOMIC PROGRAMS (FAR Part 26) - No ECPB Coverage**

### **27. PATENTS, DATA, AND COPYRIGHTS (FAR part 27) - No ECPB Coverage**

**28. BONDS AND INSURANCE (FAR Part 28) - No ECPB Coverage****29. TAXES (FAR Part 29) - No ECPB Coverage****30. COST ACCOUNTING STANDARDS ADMINISTRATION (FAR Part 30) - No ECPB Coverage****31. CONTRACT COST PRINCIPLES AND PROCEDURES (FAR Part 31)****31.1 Applicability (FAR Subpart 31.1)****Advance Agreements**

Submit precontract cost agreements through PKX to PK(Director/Deputy) for review and/or approval. See AFMCFARS 5331.109(92) for advance agreement approval authority.

**32. CONTRACT FINANCING (FAR Part 32)****32.7 Contract Funding (FAR Subpart 32.7)****1. Solicitation Release Prior to Formal Funding (Other Than Operational Contracting)**

Pursuant to AFMCFARS 5332.702-90(e), CC has redelegated the authority to approve release of Other Contracting solicitations prior to receipt of program approval or formal funding to the SCCO.

**2. Committing Funds and Processing Purchase Requests (PRs and MIPRs) (GSUs use local procedures)**

The PCO shall annotate Section G, Contract Administration Data, of contracts/modifications to establish a documented basis allowing for prompt decommitment of excess funds from purchase requests. Each funding action requires that either the word "PARTIAL" OR "COMPLETE" be typed in capital letters below each PR number in Section G. The word "PARTIAL" indicates that the excess funds on the PR are not to be decommitted and remain available for further obligation. Conversely, the word "COMPLETE" indicates that excess funds remaining on the PR, if any, are to be decommitted and that no further obligations against that PR can be made.

**3. Limitation of Cost or Funds (GSUs use local procedures)**

a. The PCO shall not issue contract modifications for new work, changes in existing work, or time extensions until resolution of the overrun or additional funds request. The PCO shall immediately advise the program manager of the situation.

b. The PCO shall promptly notify the contractor in writing to provide the latest date by which additional funds may be obligated to continue the contract without a Government-caused delay of work; the reason for the increase in rate of expenditure or estimated cost; and a cost breakdown by element of cost of the total estimated cost overrun, clearly showing the elements which changed from the original estimate. This must

include the original estimate, cost to date, cost to complete, revised estimate and adjustment, in tabular format.

(1) If the contractor's estimate of the overrun is greater than the monetary limitation of ECPB Subpart 15.8, Para 3, the PCO shall initiate a request to PKF for cost analysis, including audit review and technical evaluation of the contractor's submission. Use this threshold to determine mandatory PKF involvement in overruns; however, seek PKF assistance whenever ESC factfinding at the contractor's plant is deemed appropriate, or when contemplating negotiation of changes in CPIF sharing arrangements.

(2) If there is a Cost Performance Reporting (CPR) or Cost/Schedule Status Report (C/SSR) requirement in the contract, initiate a request for Program Office/Cost Analysis Division review and assessment of the contractor's overrun submission simultaneous with the request to the Pricing Division referenced in paragraph (a) above.

(3) Determine whether the supplies or services of the contract are still required.

(4) Maintain adequate follow-up to assure that the decision as to whether the overrun will or will not be funded is provided, and process the funding action or initiate the termination action according to the decision made.

(5) Advise the ACO of the action in process.

c. Reimbursement of costs incurred under contracts referred to in FAR 32.704 is limited, in the case of a fully-funded cost contract, to the estimated cost set forth in the contract schedule, and, in the case of an incrementally funded cost contract, to the amount of funds allotted to the contract for payment of costs. A contract cost overrun condition exists when the contractor is unable to complete the overall required contract effort within the contract estimated cost, whether the contract is fully or incrementally funded.

d. Do not encourage contractors to use their own funds to support cost overruns. Request the ACO to provide an estimate of the interim funding that would be required to assure continuation of contract performance pending a decision by the Government whether to fund an existing or forecasted overrun. Interim funding is permissible prior to receipt of audit.

e. Upon receipt of a late notification that a contract has been overrun, the PCO will:

(1) Determine the date by which the contractor should have provided notice.

(2) Determine the reason for the overrun, recognizing that the burden of explanation rests with the contractor.

(3) Consider whether there is any possibility that the overrun could have been foreseen.

(4) Address requests for overrun funding on physically completed contracts on a case-by-case basis.

(5) File the basis for the PCO's decision to fund the overrun (unexpected increase in negotiated overhead rates with no evidence of inadequate accounting procedures or performance, for example) in the file and furnish a copy to PKX.

(6) If the PCO decides to refuse to fund the overrun, the PCO will notify the contractor, giving the reasons for the refusal. Furnish a copy of the decision letter to PKX.

(7) If the PCO decides to fund an overrun, the PCO will coordinate with the cognizant administering activity to substantiate the amount of the overrun to be funded.

### **33. PROTESTS, DISPUTES, AND APPEALS (FAR Part 33)**

#### **33.1 Protests (FAR Subpart 33.1)**

##### **GAO Protest Procedures (GSUs use local procedures; advise PKX of protests and Congressional Inquiries received)**

a. Immediately upon receipt of notification of a protest or potential protest, the PCO shall inform PKX, PK, JA, and the appropriate program manager. Promptly provide copies of all protests and, if applicable, GAO reports or other information to JA for review. After JA reviews the documents, the PCO and the program manager will meet with the program attorney assigned to the protest to determine an appropriate course of action. The key to successful resolution of a protest is to immediately dedicate people from PK, JA, and the program office to a protest team. PK and the program office must, with the advice and assistance of the program attorney, draft a thorough statement of facts addressing each allegation of the protest and assemble the required number of copies of a comprehensive protest file. The PCO will coordinate this effort and, in the case of GAO protests, is responsible for SAF/AQCX receiving a complete protest file within 15 calendar days from the date of protest notification. All preparations in response to the protest shall be a joint effort by the protest team. Coordinate all PCO final decisions, including those for local protests, with JA and then PKX before forwarding to PK. Process Congressional inquiries about protests against award through PK and the Inspector General, IG.

b. In constructing the PCO's statement of facts and findings, the preferred format for discussion of allegations is to respond to each allegation separately (i.e., allegation 1, response 1; allegation 2, response 2; etc.).

c. Pursuant to AFMCFARS 5333.103-90(b), CC has redelegated the authority to deny protests lodged at or below the center level to the SCCO.

#### **33.2 Disputes and Appeals (FAR Subpart 33.2)**

##### **PCO's Decision**

Extensions to the required 60-day PCO's final decision to the contractor shall be approved by PK(Director/Deputy). The decision extension request to PK(Director/Deputy) shall include historical information, the reason(s) for delay, and any other pertinent facts.

### **34. MAJOR SYSTEM ACQUISITION (FAR Part 34) - No ECPB Coverage**

### **35. RESEARCH AND DEVELOPMENT CONTRACTING (FAR Part 35) (GSUs use local procedures)**

##### **Broad Agency Announcements (BAAs)**



- a. Coordinate synopses with the BOCO. See also ECPB Subpart 5.2, Para 2, Synopsis Preparation.
- b. PKR is the designee of the Director of Contracting for coordinating requirements and documenting the file that the announcement is appropriate.

### **36. CONSTRUCTION AND ARCHITECT-ENGINEER CONTRACTS (FAR Part 36) - No ECPB Coverage**

### **37. SERVICE CONTRACTING (FAR Part 37)**

#### **37.1 Service Contracts--General (FAR Subpart 37.1)**

Contracts for services may be written on a definite quantity, indefinite delivery basis using a Task Requirements (TR) procedure. Under this procedure, an overall level of effort is purchased under the contract and rates established for the various categories of labor. When the need for delivery of effort is identified, the PCO determines the specific level of effort (i.e., categories of labor and number of hours or man-months) required for a particular task (by discussions with the contractor) and issues the TR to the contractor. Whenever the TR procedure is used, the program office and PCO will ensure the basic elements described in Annex 37.1, available on the PK Intranet Homepage, are contained in the program operating instructions and contract. Annex 37.2, also available on the PK Intranet Homepage, provides sample procedures for structuring and administering TR contracts.

#### **37.2 Advisory and Assistance Services (FAR Subpart 37.2)**

CC has delegated to CD the authority to approve Advisory and Assistance Services (A&AS) Determination/Decision Documents (DDD) from \$250,000 to \$49,999,999.

### **38. FEDERAL SUPPLY SCHEDULE CONTRACTING (FAR Part 38) - No ECPB Coverage**

### **39. ACQUISITION OF INFORMATION RESOURCES (FAR Part 39) - No ECPB Coverage**

### **40. RESERVED IN FAR (FAR Part 40)**

### **41. ACQUISITION OF UTILITY SERVICES (FAR Part 41) - No ECPB Coverage**

### **42. CONTRACT ADMINISTRATION (FAR Part 42)**

#### **42.4 Correspondence and Visits (FAR Subpart 42.4)**

#### **Letters of Direction to Contractors**

In the administration of a contract, correspondence is sometimes sent pursuant to the terms of the contract to enforce, interpret, or clarify contract terms and conditions, or to provide direction consistent with contract terms and conditions. Such correspondence is not meant to constitute a contract change

within the meaning of FAR 43.1. To formally notify the contractor of this, the PCO may choose to include a disclaimer paragraph substantially as follows:

"The Government believes that your performance according to this instruction is within present contract requirements. If you disagree, you must notify the PCO in writing within seven (7) calendar days after you receive this letter."

(Note to Buyer: The cutoff date in the above disclaimer may vary if the contract includes a different limitation negotiated under FAR clause 52.243-7, Notification of Changes.)

#### **42.71 Voluntary Refunds (DFARS Subpart 42.71)**

The ESC focal point for voluntary refunds is PKX. When considering pursuing a voluntary refund in accordance with DFARS Subpart 42.71, as supplemented, the PCO should contact PKX and JA for advice. PKX will provide advice and assistance as necessary and will maintain records of all voluntary refund transactions. The PCO will provide PKX copies of all voluntary refund transactions.

### **43. CONTRACT MODIFICATIONS (FAR Part 43)**

#### **43.2 Change Orders (FAR Subpart 43.2)**

##### **1. General**

When possible, the PCO should include definitive work statements in undefinitized change orders to minimize the need for clarification, redirection of effort, and delay in change order definitization.

##### **2. Issuing Change Orders (GSUs use, as appropriate)**

a. In cases where the Configuration Control Board (CCB) made conditional ECP approval in the CCB directive, the PCO should resolve all comments or conditions via face-to-face discussions, telephonic discussions, or correspondence, as appropriate, before notifying the contractor of unconditional ECP approval. When the comments or conditions cannot be resolved, return the ECP to the CCB for concurrence or further direction. The PCO will not incorporate an ECP into a contract until receiving an unconditional CCB directive.

b. When notifying a contractor of the results of CCB action on an ECP, the CO letter will state that (1) the ECP was determined to be either technically acceptable, technically acceptable with comments, or rejected, and (2) the CCB action does not constitute authority to proceed until otherwise directed by the PCO.

##### **4. Correcting, Revising, or Superseding Change Orders**

Correcting, revising, or superseding a change order may invalidate an existing not-to-exceed (NTE) price; therefore, the PCO should obtain written contractor confirmation of the existing NTE prior to authorizing the change. Change order corrections, revisions, or supersessions require CCB action.

### **44. SUBCONTRACTING POLICIES AND PROCEDURES (FAR Part 44) - No ECPB**

## Coverage

### 45. GOVERNMENT PROPERTY (FAR Part 45)

#### 45.3 Providing Government Property to Contractors (FAR Subpart 45.3)

##### Providing Government-Furnished Data

The program manager shall certify in writing that all Government-furnished data is presently available -- not that it will be available when needed. If the data is being delivered under another contract the certification must state when the data will be delivered. Include the certification in the contract file before contract award.

#### 45.4 Contractor Use and Rental of Government Property (FAR Subpart 45.4)

##### Government-Furnished Computer Time (Not applicable to GSUs)

In performance of an R&D effort, the Government may furnish on a no-charge, non-interference basis, computer time/use on the Phillips Laboratory (PL) computer system. The appropriate PL division director shall approve the identification of computer equipment and hours authorized.

### 46. QUALITY ASSURANCE (FAR Part 46)

#### 46.6 Material Inspection and Receiving Reports (FAR Subpart 46.6)

##### Requirements for Data Acceptance

Require submittal of a DD Form 250 to collectively account for completed data items that required submittal only by letter of transmittal.

#### 46.7 Warranties (FAR Subpart 46.7)

##### Warranties in Weapon System Procurements

a. **Determination.** Process the determination that an item is not a weapon system through PKX and obtain PK(Director/Deputy) coordination.

b. **Waiver and Notification Procedures.** Process the request to waive the requirement for using a warranty, with supporting justification, through PKX and obtain PK(Director/Deputy) coordination. Do not make contract award until Congressional notification is complete.

c. **Essential Performance Requirements.** Process the designation of essential performance requirements through PKX and obtain PK(Director/Deputy) coordination.

### 47. TRANSPORTATION (FAR Part 47) - No ECPB Coverage

### 48. VALUE ENGINEERING (FAR Part 48) - No ECPB Coverage

## **49. TERMINATION OF CONTRACTS (FAR Part 49)**

### **49.1 General Principles (FAR Subpart 49.1) (GSUs use local procedures; advise PKX)**

#### **1. Authorities and Responsibilities**

a. The authority delegated by AFMCFARS 5301.601-92 to terminate contracts for the convenience of the Government and settle such terminations has been redelegated to PK(Director/Deputy) with power of redelegation to specifically designated termination PCOs (TCOs). At ESC (HAFB), PKX holds TCO authority and responsibility.

b. See ECPB Subpart 1.6, Para 9 for mandatory notice requirements before issuance of either a partial or total termination.

#### **2. Termination Notice**

Submit the following data to the PKX TCO with the AF Form 3056:

- (1) A copy of any written direction from higher headquarters regarding the termination action.
- (2) Name and address of ACO.
- (3) DCAA office address.
- (4) Finance office address.
- (5) Name and address of property administrator.
- (6) Contract administration office address, if different from ACO address.
- (7) County in which contractor's plant is located.
- (8) Name and title of principal officer of company to be notified.

#### **3. TCO Duties after Issuing the Termination Notice**

a. **Release of Excess Funds.** When a contract administered by ESC is partially or completely terminated, the PKX TCO is responsible for excess funds release. Otherwise, the PCO shall release excess funds. Make normal distribution to contract documents which release excess funds, but add the TCO as an addressee.

b. **Termination Case File.** The TCO will prepare and maintain the case file and, upon settlement, incorporate it into the official contract file. The TCO will do this before transferring the physically completed contract to PKX.

### **49.4 Termination for Default (FAR Subpart 49.4)**

#### **Termination of Fixed-Price Contracts for Default (GSUs use local procedures; advise PKX)**

a. The PCO will submit the documentation to PKX and JA for review and coordination before forwarding the request for default investigation. PKX will review the facts and advise PK on the merits of the proposed action.

b. See ECPB Subpart 1.6, Para 9 for mandatory notice/approval requirements before issuing a show cause or cure notice.

**49.5 Contract Termination Clauses (FAR Subpart 49.5)****Special Termination Costs (Not applicable to GSUs)**

Include in the request the specific rationale supporting the need for special termination cost (STC) coverage. (See also DFARS 249.501-70 and AFFARS 5349.501-70). The program and contracting office will jointly prepare requests and coordinate through FMC, PKF, PKX, and the program director and forward to HQ AFMC/PK over PK(Director/Deputy) signature. Consult PKX for advice on STC coverage.

**49.70 Special Requirements (DFARS Subpart 249.70)****Congressional Notification on Significant Contract Terminations (GSUs use local procedures; advise PKX)**

PCOs will immediately telephonically advise PKX of each prospective contract termination. PCOs requesting clearance to release information on significant contract terminations will provide the data specified by DFARS 249.7001 to the PKX TCO with the AF Form 3056 "Termination Authority." The PCO will complete Parts I, II and III of AF Form 3056, as appropriate, before submittal to the PKX TCO. Coordinate the suggested press release (see DFARS 249.7001 and AFFARS 5349.7001-90) with the Office of Public Affairs, PAM, before submittal to PKX.

**50. EXTRAORDINARY CONTRACTUAL ACTIONS (FAR Part 5) - No ECPB Coverage****51. USE OF GOVERNMENT SOURCES BY CONTRACTORS (FAR Part 51) - No ECPB Coverage****52. SOLICITATION PROVISIONS AND CONTRACT CLAUSES (FAR Part 52) - No ECPB Coverage****53. FORMS (FAR Part 53) - No ECPB Coverage****90. CONTRACTING SUPPORT FOR SPECIFIC AIR FORCE ACQUISITIONS (AFFARS Part 90) - No ECPB Coverage****91. SURPLUS ACQUISITIONS (AFMCFARS Part 91) - No ECPB Coverage****92. AFMC MAINTENANCE, OVERHAUL, AND MODIFICATION CONTRACTING (AFMCFARS Part 92) - No ECPB Coverage****95. TECHNICAL SERVICES (ECPB Part 95) (Not Applicable to GSUs)****1. MITRE: Technical Review**

a. In fulfilling its mission responsibility for design, development, and acquisition of electronic systems and related equipment, ESC has contracted with the MITRE Corporation for technical services and

guidance to be provided on selected programs. To provide contractual recognition for MITRE Corporation's assigned role and to facilitate cooperation with other participating contractors, contracts using MITRE will incorporate an appropriate enabling clause.

b. On existing programs, the MITRE role will be indicated in the applicable ESC/MITRE technical objectives and plans (TO&P) documents with lists of specific contracts and enabling clauses. On new programs or changes to existing programs which dictate changes in the MITRE role, a coordinated decision will be made on the role to be taken by MITRE at program management plan (PMP) or acquisition plan preparation, whichever comes earlier, or significant revisions thereto. MITRE management and ESC/DII-AF will make this decision. Subsequently, requests for proposals (RFPs) will clearly indicate the MITRE role and resulting contracts will contain appropriate enabling clauses.

c. When MITRE is not assigned responsibility for technical oversight of performance, an enabling clause is not appropriate. If some degree of MITRE participation is desired, contact EN and PKX before negotiations begin.

d. Whenever using an enabling clause, it is recommended that the applicable Contract Data Requirements List (CDRL) contain a line item entry requiring delivery of data pursuant to the enabling clause.

## **2. MITRE: General Systems Engineering and Integration (GSE&I)**

In fulfilling its mission responsibility for management surveillance of certain electronic systems programs, ESC has contracted with the MITRE Corporation for technical services and guidance on matters pertaining to general systems engineering and integration. Contracts using MITRE to review a contractor's technical efforts will incorporate an enabling clause.

## **3. MITRE: Intermittent Technical Review**

On ESC systems contracts which use neither the MITRE technical review (nor MITRE general systems engineering and integration, an intermittent technical review clause is appropriate. This will enable MITRE to review the effort and/or products of the contractor on an intermittent basis when requested by ESC.

# **96. SSG PROCESSES (ECPB Part 96)**

## **1. The Clearance Process and Other Required Reviews**

This establishes procedures for obtaining policy review (PKP) of business and contract clearances, solicitations, sealed bid acquisitions, and other reviews as covered herein or as directed by SSG/PK. It implements the requirements of AFFARS 5301.90 and AFMCFARS 5301.90, and establishes local processes for review of contracting documents and files. It is a part of the ECPB. It applies to all SSG/PK personnel. Provide comments or suggested improvements to SSG/PK.

## **2. References**

- a. AFFARS Subpart 5301.90, Clearance Process
- b. AFMCFARS Subpart 5301.90, Clearance Process
- c. SAF/AQ Letter, "Field Empowerment Through Increased Approval Thresholds," 18 Jun 96
- d. ESC/CC Letter of Delegation of Authority, 4 Oct 93

- e. SSG/ED Letter of Delegation of Authority, 2 Dec 96
- f. HQ SSG/PK Letters

### 3. **Responsibilities**

#### a. **SSG/PKP-1:**

(1) **Business Clearance.** When SSG/PK is the BCRA, SSG/PKP-1 shall assist in this function. References to “the reviewing authority’s staff” shall mean the SSG/PKP-1 reviewers. PKP-1 will be responsible for obtaining SSG/PK Contract Clearance Approval after resolution of comments.

(2) **Contractual Document Logs.** SSG/PKP-1 will maintain a control log of all documents submitted for review and control logs for assignment of business clearance numbers, contract clearance numbers, Acquisition Plans/SAMPs, and J&A numbers.

(3) **Trends and Training.** SSG/PKP-1 will analyze review comments to identify any trends and provide training as needed.

(4) **Contract Review Checklist.** SSG/PKP-1 will use the ESC/PKX Contract Review Checklist with supplemental notations added at SSG/PKP to review contract files and documents. Any other procedures or guidelines issued at SSG/PK must be followed.

(5) **Legal Reviews.** Legal review will be obtained before PK review to the maximum practicable extent.

(6) **PKP-1 Reviews.** PKP-1 will conduct Process Effectiveness Reviews, Under-the-Threshold Reviews, or other reviews as directed by SSG/PK.

#### b. **PCO:**

(1) **Warrant Thresholds.** Clearance review and approval above the CO level is required when the value of the action exceeds the CO’s warrant level. If the SPD delegates authority for actions up to \$5M to PK, PK may delegate to Division Chiefs and to COs. All delegations shall be made in writing and must be signed by SSG/PK or a higher authority.

(2) **Authorities for Other Contracting.** As BOCO, SSG/PK delegates the reviewing and approval authorities for Other Contracting (not assigned to PEO or DAC) as specified in Table 2, hereunder. No further delegation is authorized. Warrant levels vary among COs IAW appointment letters.

(3) **Authorities for PEO/DAC.** As BOCO, SSG/PK delegates review and clearance authority as specified in Table 2, hereunder. No further delegation is authorized.

#### c. **Local Review Procedures:**

(1) **Actions To Be Reviewed.** In addition to FAR and supplemental clearance and solicitation review requirements, the documents listed in Table 1 require PKP-1 review before issuance. Examples of complex actions are formal source selections and technically-acceptable/low cost competitive actions. The PCO has the option to have any contract action reviewed by the local review committee. Review

timeframes are established based upon the nature and complexity of the contracting action. Table 1 specifies PKP-1 processing time (working days) necessary for review and shall be included in acquisition planning accordingly:



**TABLE 1**  
**SSG/PKP-1 REVIEW/PROCESSING TIMEFRAMES**

<u>Type Action</u>	<u>Noncomplex</u>	<u>Complex</u>
1279 Report	1	1
Acquisition Plan/SAMP	2	3
Award Fee Plan	N/A*	3
Congressional Inquiry Response	1	2
Justification & Approval (J&A)	2	2
One Time Clause**	2	2
Ratification	1	2
Request for Business Clearance (RBC)	3	3
Request for Contract Clearance (RCC)	2	3
Solicitation Amendment	1	2
Solicitation Review	2	4
Source Selection Plan	N/A*	3
Source Selection Debrief Charts		
Standards	N/A*	3
Synopsis/CBD Notice	1	1
*For review purposes, Award Fee Plans, Source Selection Plans, and Standards are always considered to be complex.		
**All One-Time clauses shall be reviewed and approved by PKP-1 before being included in solicitations or contracts.		

(2) **Reviews and Priority Requests.** All documents shall be reviewed prior to issuance or being included in contracts or solicitations. Documents will be reviewed on a first-in, first-out basis unless a written request for priority review is provided. All requests for priority processing must be signed at the Division Chief level or higher and adequately answer the following questions: When must the contractual action be completed? Why must the action be completed by that time? In what ways, if any, has Government delay or inaction caused the urgency under consideration? What will be the impact, financial or otherwise, if the action is not completed by the required date?

(3) **Review Comments and Responses.** Review comments and responses for all RBCs, RCCs, solicitations, contracts, and amendments thereto, will be requested and recorded using PK Forms 64-7, Contract Review Record (and 7a, Continuation Sheet). Reviewers will attempt to cite requiring reference for comments. Division Chiefs are responsible for resolving and coordinating comments below the PK level. All other reviews, such as Staff Summary Sheets, memoranda, etc., need not be requested via the PK Form 64-7; however, resolution of comments must be documented and coordinated with PKP-1.

(4) **Review Comments Returned Customers.** A copy of all review comments and responses will be provided to PKP-1 within three workdays after resolution. The PCO shall provide PKP-1 a copy of all review comments received from ESC/PKP, AFMC/PKP and SAF/AQC when received. Responses to

higher headquarters comments will be coordinated through HQ SSG/PKP-1. A copy of all legal review comments and responses will also be provided to PKP-1 within three workdays after resolution.

**TABLE 2**  
**SSG REVIEW AND APPROVAL THRESHOLDS/AUTHORITIES**  
**PEO/DAC PROGRAMS AND OTHER CONTRACTING**

<u>Value of Action</u>	<u>AUTHORITY LEVEL</u>			
	<u>Solicitation Review</u>	<u>BCRA</u>	<u>BCAA</u>	<u>CCAA</u>
≤ CO Warrant Level	CO	CO	CO	CO
>CO Level ≤ Div Chf Level	Div Chief	Div Chief	Div Chief	Div Chief
CO/Div Chf Up to <\$5M	BOCO/CO	BOCO/CO	BOCO/CO	BOCO/CO
≥\$5M	Other Contracting--IAW AFMCFARS 5301.90 PEO/DAC--IAW AFFARS 5301.90			

## **97. 38 LS/LGC PROCESSES (ECPB Part 97)**

### **1. Applicability**

This applies to all 38LS/LGC branches and establishes processes for the review and submission for approval of Sealed Bid actions, Other Contracting actions, including actions using the Integrated Process Team (IPT) process, and formal source selection procedures under AFFARS Appendix BB. Local review procedures for any action using AFFARS Appendix AA will be determined by the Contracting Flight Chief on an individual basis.

### **2. Responsibilities**

When 38 LS/LGC Flight Chief or Acting Chief is the Solicitation Review Authority, Contract Award Authority, Business Clearance Review or Approval Authority or Contract Clearance Approval Authority as established in AFMCFARS Attachment 5301-90 or as delegated by higher level approval authorities, 38 LS/LGCW Procurement Analysts will assist in this function. Authorized delegations of the authorities vested in the 38 LS/LGC Flight Chief will be reflected in delegation memos.

### **3. Governing Regulations**

AFFARS 5301.90, AFMCFARS 5301.90, and ECPB Subpart 1.90. Contractual actions requiring review and approval are set forth in AFFARS 5301.9006-3.

### **4. Definitions**

The following definitions are in addition to those covered in AFFARS 5301.90 and supplements thereto:

(1) "Request for Document Review" refers to the document accomplished using the format in ECPB Annex 97.1, available from the WWW PK Intranet Homepage which is prepared by the contract specialist and signed by the PCO to request initial review of contractual actions, unless the action is being accomplished using the IPT process.

(2) "Request for IFB Review" refers to the document accomplished using the format in ECPB Annex 97.1, available from the WWW PK Intranet Homepage which is prepared by the contract specialist and signed by the PCO to request approval to release a sealed bid solicitation.

(3) "Request for Contract Approval" refers to the document accomplished using the format in ECPB Annex 97.1, available from the WWW PK Intranet Homepage prepared by the contract specialist and signed by the PCO to request approval to award a contract resulting from a sealed bid solicitation.

(4) "Resolution Meeting" means the meeting held by the Procurement Analyst with the Contract Specialist and/or PCO after completion of the initial review to discuss comments or ask questions to ensure all parties have an understanding of the actions needed to ensure the contractual action meets the objectives and standards of AFFARS Part 5301.90.

(5) "Compliance Review" means the review accomplished by the LGCW Procurement Analyst to determine that review comments have been appropriately resolved and that the objectives and standards of AFFARS Part 5301.90 have been met prior to submission to the Reviewing and/or Approval Authority for action. For IPT actions, this review will occur immediately prior to submission to the Review or Approval Authority for action and is separate from the in-process reviews.

##### **5. Review/Approval Requirements for Contractual Documents/Actions**

The following procedures apply to Sealed Bids (including Two-Step Invitation for Bids (IFBs)) and Negotiated actions. The term "contractual document" refers to solicitations, letter request for two-step IFBs, amendments, and contract or modification awards (including definitization of letter contracts). The term "contractual action" refers to solicitation and amendment reviews and business and contract clearance reviews.

(1) PCOs shall thoroughly review all contractual documents regardless of dollar amount to ensure the objectives of the clearance process in AFFARS 5301.90 are met.

(2) The value of contract actions will be determined IAW AFFARS 5301.9006-4 and supplements thereto. Special attention should be given to AFMCFARS 5301.9006-4.

Note: Solicitation amendments that do not add new line items, increase quantities, or increase the scope of the work required will be considered to have the same estimated value amount as the solicitation which they are amending. Solicitation amendments which add new line items, increase quantities, or increase the scope of the work required will be considered to have the estimated value amount of the original solicitation being amended plus the value of the additional items or work. Amendments to solicitations that change only the due date for bids/offers do not require review and approval.

(3) When the estimated dollar value of the contractual action is within the authority delegated to PCO, formal review and approval procedures will not be used. The PCO will ensure the document

complies with all requirements and this will be evidenced by release of the initial letter request, solicitation, or amendment; commencement of negotiations; issuance of BAFO requests; or signature on the contract document.

(4) When the estimated dollar value of the contractual action exceeds the authority delegated the PCO, review must be accomplished by the LGCW Procurement Analyst. Resolution of comments and compliance review will occur prior to submission to the Approval Authority. Recommendation of the Review Authority and Approval of the Approval Authority must be obtained prior to issuance of solicitations and amendments; release of letter request; commencement of negotiations; release of BAFO request; or award of contract document.

(5) Contractual actions with estimated value amounts above \$50M will be submitted to higher headquarters or other appropriate positions for review and approval IAW AFMCFARS and ECPB Subpart 1.90. Contact LGCW Procurement Analysts for guidance on sealed bid actions in this category.

(6) When urgent situations arise and comments cannot be resolved prior to release, discuss this situation with the LGCW Procurement Analyst who will discuss the situation with the Review and/or Approval Authority. These situations will be worked on a case-by-case basis and every effort will be made to avoid delay of the action if concerns can be satisfied at a later date.

#### **6. Content and Submission of Files for Review and Approval**

a. Actions will be reviewed solely on the merits of the documentation submitted. Contractual documents and supporting files must be complete when submitted for review; must follow applicable procurement regulations, policies, and procedures; and must demonstrate a sound business approach. A document or file may be deemed unacceptable if it does not adequately address the essential elements of the requirement or if substantive contractual or legal irregularities require corrections which amount to a major revision to the contractual document or its supporting file documentation. See the File Content Listing in ECPB Annex 97.1, available from the WWW PK Intranet Homepage

b. Documents submitted to LGCW will be processed through the Branch Chief for assignment unless they are being accomplished using the IPT process. For IPT actions, process directly to the LGCW IPT Procurement Analyst.

#### **7. Accomplishment of Reviews**

a. For actions not using the IPT process, initial review of documents will be accomplished after all documents are in final form and officially submitted to LGCW. In-process reviews of specific documents will be accomplished upon request, workload permitting.

b. For actions using the IPT process, review of draft documents and consultation with document preparers will occur while the document is in-process. Reviews accomplished under the IPT process will be less structured and will occur as the documents become available or are accomplished.

c. Compliance reviews will be accomplished for all actions, unless no comments are required during the initial review. Any required corrections identified during the compliance review, will immediately be discussed with the Contract Specialist and/or PCO so expeditious resolution can occur.

d. After completion of the compliance review, the LGCW Procurement Analyst will recommend in writing to the Review and/or Approval Authority the action to be taken; prepare any documents required for approval; and maintain the Business and Contract Clearance number logs and assign numbers.

#### **8. Comment Annotation and Response**

a. For actions not using the IPT process, review comments will be typed, provided in memo format, and sequentially numbered. The memo will be dated and signed by the LGCW Procurement Analyst who will be functioning as the Reviewing Authority Assistant. Responses to review comments will be typed, provided in memo format and numbered to correspond to the applicable review comment number. The memo will be dated and signed by the PCO and provided with the file when submitted for compliance review.

b. For actions using the IPT process, comments may be provided by any IPT member and may be oral or in written form. Comments will address errors, omissions and recommendations deemed necessary. Oral comments may be appropriate when the comment can be resolved by immediate changes to the document or file with the knowledge of all involved team members. Documentation of comments will be necessary when resolution cannot take place or be verified immediately. Oral responses to written comments which result in immediate resolution and agreement will be annotated by the team member making the comment. Written responses to comments may be provided to facilitate resolution of comments, or to document any issues which cannot be resolved by the responsible Team members.

c. When applicable, LGCW Procurement Analyst will cite the controlling regulation, directive or policy with the comment.

d. LGCW Procurement Analyst may recommend suggested improvements. These comments call for a subjective decision by the PCO as to when, how, or if the suggested improvement will be accomplished. Suggested improvements generally involve changes, additions, or deletions of a nature intended to improve the contract document or file, i.e., more professional, easier to read and understand, logical flow down, file structure, etc.

#### **9. Resolution Meetings**

a. For actions not accomplished using the IPT process: When the initial review is completed, if the LGCW Procurement Analyst believes a resolution meeting is needed, one will be scheduled with the Contract Specialist and/or PCO, prior to finalization of the comments. Corrections and explanations may be provided at this time which will negate the need for a comment. If a meeting is not scheduled by the LGCW Procurement Analyst, and after receipt of the review comments, the Contract Specialist and/or PCO have questions or take exception to any comment, they may request a resolution meeting with the Procurement Analyst.

b. For actions being accomplished using the IPT process: Resolution meetings will occur within the team structure.

c. If the involved parties are unable to resolve areas in question or conflict, the issue will be elevated to the Review Authority for resolution.

#### **10. Review Timeframes**

a. Initial reviews should be completed within five (5) workdays after receipt. Reviews received after 1400 hours will be considered as received the next workday. Regardless of the time on the day when a review is completed, that day will be considered a day of review. If a resolution meeting is required by the LGCW Procurement Analyst, review time will end once the resolution meeting is scheduled.

b. Compliance reviews should be completed within 8 workhours after receipt. When the IPT process applies, compliance reviews should be completed within 8 workhours after receipt, provided all documents have been reviewed previously during the in-process reviews.

c. These timeframes should be considered when completing Acquisition Plans, milestone charts or other documents reflecting timeframes.

d. The order for review is first in, first out. Contracting actions requiring priority review will be accompanied by a statement of urgency signed at no lower than Branch Chief level.

### **11. LGCW Retention File Documents**

LGCW will maintain retention files for all documents reviewed. The LGCW Procurement Analyst will make copies of or obtain the following documents, if applicable, as reviews are completed or request the documents from the contract specialist if they were not available or obtained when the files were being reviewed:

(1) A copy of the Request for Document Review and review comments.

(2) A copy of the responses to the review comments.

(3) A copy of the legal review comments and responses to same.

(4) A copy of the Request for IFB Review, Request for Contract Approval, Request for RFP Review, Request for Business Clearance or Request for Contract Clearance.

(5) A copy of the reviewed solicitation or amendment document. (When a solicitation or amendment file is submitted for review, the copy of the proposed solicitation or amendment document provided for review will be for retention by LGCW. The solicitation document is the IFB or RFP with any attachments or exhibits. The amendment document is the Standard Form 30, continuation pages, and any attachments or exhibits.)

(6) A copy of all reviewed solicitations and amendment, as issued.

(7) A copy of the signed Approval to Release IFB or RFP, Approval to Release Amendment, Approval to Award Contract, Business Clearance or Contract Clearance, after signature.

(8) Copies of any other documents the Procurement Analyst deems necessary or appropriate.

### **AA. FORMAL SOURCE SELECTION FOR MAJOR ACQUISITIONS (AFFARS Appendix AA) - No ECPB Coverage**

### **BB. SOURCE SELECTION PROCEDURES FOR OTHER THAN MAJOR**

**ACQUISITIONS (AFFARS Appendix BB) - No ECPB Coverage**

**CC. CONTINGENCY OPERATIONAL CONTRACTING SUPPORT PROGRAM  
(COCSP)(AFFARS Appendix CC) - No ECPB Coverage**

**DD. SIMPLIFIED ACQUISITION OF BASE ENGINEER REQUIREMENTS  
(SABER) PROGRAM (AFFARS Appendix DD) - No ECPB Coverage**

**ANNEX 1.1****SAMPLE STAFF SUMMARY SHEET**

PCO	Coord
PK	Coord
CST	Process
CC	Info
CST	Process

Package for Discussing New Awards with the Selected Company

1. In anticipation of a  (Program Name)  award, the attached package has been prepared for use in your contract award telephone call to  (Company Name)  corporate management.

2. Tab 1 identifies the CEO; the CEO's telephone number; and contract information. Tab 2 contains a copy of special warranty or other special contract provisions(s), such as options tied to milestones, special funding liability provisions, or unique down-select procedures. (NOTE: Only unique special provisions need be included under this tab. If none apply, so state.)

//Signed//

Program Director

\* 2 Tabs

1. Talking Paper
2. Special Provisions

\* Only Tab 1 is provided with this sample package since Tab 2 is self-explanatory

FOR OFFICIAL USE ONLY (When filled in)



FOR OFFICIAL USE ONLY (When filled in)

TALKING PAPERPROGRAM NAME: \_\_\_\_\_DATE/TIME SET FOR AWARD ANNOUNCEMENT: \_\_\_\_\_  
Date Time

CONTACT: - Name and location of proposed contractor  
- CEO's full name and title (include nickname, if applicable)  
- Telephone: (Area code) - Number and extension

PROGRAM DESCRIPTION: (Short)SIGNIFICANT POINTS: (For CC Information)CONTRACT INFORMATION:BASIC CONTRACT

- Type of contract: (Spell out - don't use acronyms)
- Basic contract value \$\_\_\_\_\_.
- Period of performance
- Deliverables
- Types of funds used and respective amounts

OPTION(s) (State how many)

- Total value of all options: \$\_\_\_\_\_.
- Type of contract for each (if all same, state type only once)
- Breakout for each option
  - Dollar value/type of funds \$\_\_\_\_\_ (3080)
  - Quantity: \_\_\_\_\_
  - Period of performance

GOVERNMENT PROGRAM MANAGER: Name, Office Symbol, Telephone NumberPCO: Name, Office Symbol, Telephone Number

## ANNEX 1.2

### PKX CLEARANCE PROCEDURES FOR SOLICITATIONS/CONTRACT DOCUMENTS

1. Actions will be reviewed solely on the merits of the documentation submitted to PKX. Contractual documents and supporting files must be complete when submitted for review; must follow applicable FAR regulations, policies, and procedures; and must demonstrate a sound business approach. When tight schedules require that files be submitted for review with missing or incomplete supporting documentation, list these items on the ESC Form 1314, Contract Document Review Record, or on an attachment to the form. PKX may subsequently require that omitted or incomplete documentation be submitted for review.
2. Where appropriate, PKX will cite the controlling regulation, directive, or policy with any comment. The following are examples of incorrect entries and omissions that will result in a comment:
  - a. Non-compliance with a governing regulation, directive, or written policy.
  - b. Incorrect entries or oversights that affect cost, performance, delivery, or payment.
  - c. Absence of required contracting and legal approvals or reviews accomplished at the incorrect level of authority.
  - d. Incorrect entries, ambiguities, or omissions that affect or obscure the essence of the negotiated terms and conditions.
  - e. Omission of contract clauses having required effective dates which occur on or before the date the document is submitted for review.
  - f. Failure to obtain required approvals for use of GFP or authorization of base support.
  - g. Failure to comply with, or otherwise resolve, previous PKX or legal comments.
  - h. Failure to include in the file a fully-certified purchase request(s) sufficient to cover the amount being obligated in the contractual document.
  - i. Incorrect entries in a solicitation which, if not resolved during negotiations, are likely to obscure the essence of the terms and conditions or otherwise affect cost, performance, delivery, or schedule.
  - j. Omitted, unsigned, or incomplete documents supporting the action.
  - k. Incorrect entries on forms such as DD Form 350, DD-LA(AR) 1279 Report, or DD Form 1547.
  - l. Incorrect entries on the title, date, or FAR reference for contract clauses.
  - m. Incorrect entries related to AMIS contract format requirements.
3. PKX will annotate clerical errors on the contractual document.

4. PKX may recommend suggested improvements. These comments call for a subjective decision by the PCO as to when, how, or if the suggested improvement will be accomplished. The PCO must document the rationale for not concurring with a suggested improvement in the contract file. Suggested improvements generally involve changes, additions, or deletions of a nature intended to improve the contract document or file (i.e., more professional, easier to read and understand, logical flow down, file structure, etc.).
5. For solicitations, resolve comments before requesting business clearance. For contracts, resolve comments before issuing the request for BAFOs, before the request for contract clearance, or before contract award if neither a BAFO nor a contract clearance is required. Comments regarding file documentation may be resolved before or after distribution.
6. A document or file cannot be approved if it does not adequately address the essential elements of the requirement or if substantive contractual or legal irregularities require corrections which amount to a major revision to the contractual document or to its supporting file documentation. Of particular significance are incorrect entries or omissions that affect cost, performance, delivery, and payment, or that affect or obscure the essence of the negotiated terms and conditions.
7. The BCRA or CCAA may require a final clearance and coordination meeting to resolve differences of opinion on PKX comments.

**ANNEX 1.3****Sample Determination/Memorandum  
For One-Time-Use Provisions/Clauses****One-Time-Use Provision/Clause Determination/Memorandum**

SOLICITATION/CONTRACT NUMBER: \_\_\_\_\_

CLAUSE TITLE: \_\_\_\_\_

CLAUSE DATE: \_\_\_\_\_

UNIFORM CONTRACT FORMAT SECTION: \_\_\_\_\_

APPLICABLE FAR PART/SUBJECT AREA: \_\_\_\_\_

INITIATOR NAME: \_\_\_\_\_ PHONE #: \_\_\_\_\_

JUSTIFICATION: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

LANGUAGE: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

I have determined that this one-time-use provision/clause does not duplicate or deviate from the FAR and FAR Supplements and is necessary for use in this contractual action.

\_\_\_\_\_  
Contracting Officer Signature\_\_\_\_\_  
Date

Office Symbol: \_\_\_\_\_

Phone: \_\_\_\_\_

**ANNEX 4.1**

(Date to be completed by PKX)

(Complete with your office symbol)

(Fill in your contract, modification, or delivery order number, as appropriate)

(Insert contractor's name and address)

Enclosed is your copy of the subject contract document. Please acknowledge your receipt of the document by completing and signing the endorsement below and returning this letter immediately to the following address:

ESC/(Your 3-letter office)  
Attn: (Insert name of PCO or buyer)  
Hanscom AFB, MA 01731-XXXX

(PCO Signature Block)

**CONTRACTOR'S ENDORSEMENT**

Receipt Date of Document(s): \_\_\_\_\_

Received by: \_\_\_\_\_

\_\_\_\_\_  
Signature and Date

**ANNEX 15.3****PCO CHECKLIST FOR DEFECTIVE PRICING AUDITS****Background Facts**

1. Are the facts stated in the audit report consistent with the events which actually occurred during negotiation of the contract actions? (If not, how do they vary?)
2. If submitted data was defective:
  - a. To what extent did the defect affect the government's prenegotiation objective?
  - b. To what extent did the defect affect the final negotiated price (i.e., did the contractor orally disclose the defect, etc.)? Unless disclosed prior to final price agreement, the defect is legally presumed to have resulted in negotiation of a higher price.
3. If disclosures were made by the offeror before final price agreement which involve the data which DCAA maintains to have been defective, did the offeror make a meaningful submission such that the PCO/PKF could have understood the significance of the new data to the price/cost of the contract action without extensive government analysis?
4. If DCAA maintains that more current data existed, as of the date of final price agreement, than the data offeror disclosed to the government to support its price proposal:
  - a. When was this more current data reasonably available to the contractor (i.e., internal to the company whether known to the company's negotiators or not)?
  - b. What effect would this more current data have had on the government's prenegotiation position (and why)?
  - c. What effect would this more current data have had on the final negotiated price (and why, if different than b. above)?

**Sweeps**

5. Did the offeror provide cost or pricing data (for the first time) concurrent with submission of its certificate (or at any other time after final price agreement, but before award)?
6. If so, did that supplemental data relate to the suspected defects on which the DCAA's defective pricing position is presently based?
7. If so, how did the PCO handle the impact of the supplemental data in relation to the pricing of the contract action?

**Offsets**

8.a. Are offsets claimed by the contractor? (Offsets are cost or pricing data not disclosed prior to final price agreement which, if disclosed, would have supported a higher cost than the data which was submitted to support the offeror's proposal).

b. If so, have the offsets been "certified" as a contractor claim?

c. Did contractor "knowingly" fail to disclose during price negotiations the data which is now claimed as an offset?

d. What effect, if any, would the offset cost or pricing data have had on price negotiations if the data had been submitted to the government prior to final price agreement?

### **Interest**

9.a. Has the contractor received payment for any of the items of which the price(s) have been overstated as the result of the defective pricing?

b. For each affected line item, when, and by how much was contractor overpaid?

**ANNEX 19.1****SUBCONTRACTING PLAN REVIEW AND ANALYSIS CHECKLIST**

Company Name

Docket No.

Division

Location

Contract/Solicitation No.

Has the PCO met the Requirements of FAR 19.705 and DFARS 219.705:

Yes

No

Does a Master Plan (MP) Apply? (FAR 52.219.9(f))? Yes No If Yes:

a. Effective period is\_\_\_\_\_.

b. Respond only to Blocks 1-7 or others not addressed in MP.

c. Is evidence of ACO approval provided? Yes No

d. Is ACO approval on file in BC? Yes No

1. Are separate percentage goals proposed? Yes No  
(FAR 52.219-9(d)(1))

a. Small Business\_\_\_\_\_%.

b. Small Disadvantaged Business\_\_\_\_\_%.

(1) Is approval required? Yes No

(2) Is approval shown? Yes No

(DFARS 219.705-4 requires zero SB goals and SDB goals of less than 5% be approved one and two levels above the CO, respectively.)

c. Is anticipated use of HBCUs and MIs in the SDB goal addressed?  
(DFARS 219.704(a)(1)) Yes No2. Are goals based on total planned subcontracting dollars?  
(FAR 52.219-9(d)(2)) Yes No

a. Total Subcontract Dollars \$\_\_\_\_\_



b. Small Business Subcontract Dollars \$\_\_\_\_\_

c. Small Disadvantaged Business Subcontract Dollars \$\_\_\_\_\_

3. Does plan include description of principal supply and service areas to be subcontracted to? (FAR 52.219-9(d)(3))      Yes      No

Check appropriate box:

a. Small Business

b. Small Disadvantaged Business

c. Other Business Categories

4. Is method of developing proposed goals stated? (FAR 52.219-9(d)(4))  
Yes      No

5. Is method used to identify small and disadvantaged business stated?  
(FAR 52.219-9(d)(5))      Yes      No

Check appropriate block(s):

a. SBA PASS is utilized.

b. National Minority Purchasing Council is utilized.

c. US Department of Commerce services are utilized.

d. Other.

6. Is a proportionate share of indirect or overhead cost included?  
(FAR 52.219-9(d)(6))      Yes      No

a. Small Business      Yes      No

b. Small Disadvantaged Business      Yes      No

7. Is a description of duties for Subcontract Plan Administrator included? (FAR 52.219-9(d)(7))      Yes      No

a. Name \_\_\_\_\_

b. Title \_\_\_\_\_

8. Does plan describe the efforts contractor plans to undertake which will:

a. Assure SB/SDB firms have equitable opportunity to compete for

subcontracting? (FAR 52.219-9(d)(8))      Yes      No

b. Provide technical assistance and restrict competition to SDB firms? (DFARS 219.705-4)      Yes      No

9. Is flowdown clearly and adequately covered: (FAR 52.219-9(d)(9))

a. "Utilization Clause," 52.219-8      Yes      No

b. Will subcontractors (other than Small Business/Small Disadvantaged Business) be required to adopt a plan in consonance with the 52.219-9

10. Does plan contain assurances that contractor will:  
(DFARS 52.219-9(d)(10)(i)(ii)(iii)(iv))

a. Submit periodic reports?      Yes      No

b. Cooperate in any studies or surveys as may be required by the contracting agency or Small Business Administration to determine compliance with the plan?      Yes      No

c. Submit required Standard Forms 294 and 295?      Yes      No

11. Does plan contain recitation of types of records that will be maintained to demonstrate compliance? (FAR 52.219-9(d)(11)(i)(ii)(iii)(A)(B)(C)(iv)(A)(B)(C)(v)(A)(8))      Yes      No

Minimum requirements are:

a. Small Business/Small Disadvantaged Business source lists.

b. Organizations contacted.

c. Records (contract-by-contract) on subcontract solicitations.

(1) Small Business concerns solicited; and, if not, why not.

(2) Small Disadvantaged Business concerns solicited; and, if not, why not.

(3) Reason award not made to a Small Business concern.

d. Contacts with trade associations.

e. Contacts with business development organizations.

f. Attendance at conferences and trade fairs.

g. Internal workshops and training programs.

- h. Monitoring efforts to evaluate compliance.
12. Do records exist to support (contract-by-contract) award data to include name, address, and size status of subcontractors or indication that company has annual plans in lieu thereof? (FAR 52.219-9(d)(11)(vi))      Yes      No
13. Does plan demonstrate and document efforts to assist and facilitate subcontract participation? (FAR 52.219-9(e)(1))      Yes      No
14. Is adequate and timely consideration of SB/SDB potential in "make-or-buy" decisions evident? (FAR 52.219-9(e)(2))?      Yes      No
15. Does plan demonstrate and document efforts to counsel and discuss subcontracting opportunities with SB/SDB concerns? (FAR 52.219-9(e)(4))      Yes      No
16. Are subcontractors provided a notice (similar to that in solicitation provision 52.219-1) concerning the penalties for misrepresenting their size status as SB/SDB in order to obtain a subcontract on this requirement? (FAR 52.219-9(e)(4))      Yes      No
17. Is continuing management interest and involvement in support of Public Law 95-507 clearly demonstrated and documented?      Yes      No
18. Company-wide policy statements, written procedures, and work instructions:
- a. Exist?      Yes      No
- b. Are adequate and concise?      Yes      No
- c. Are furnished with the plan?      Yes      No
19. Does plan, as submitted, clearly demonstrate a program to provide maximum practicable opportunity for SB/SDB participation?      Yes      No
20. Do you believe an incentive clause would be appropriate?      Yes      No

\_\_\_\_\_  
Buyer Signature      \_\_\_\_\_      Date

\_\_\_\_\_  
PCO Signature      \_\_\_\_\_      Date

---

BOCO Signature (If applicable)

Date

## ANNEX 37.1

### Task Requirements (TR)

The program office and PCO will ensure that the following elements are included in any system used for structuring and administering TRs.

#### A. Identification of TR.

1. The program office/requiring activity will identify and write the TR, its revisions or amendments, and submit them to the office designated for administration (see B. below).

2. The written TR will include:

a. A cover sheet with:

- (1) Date of document preparation.
- (2) TR Title.
- (3) TR Number.
- (4) Identification of office and individual preparing TR with phone number.
- (5) Date for TR completion.
- (6) Contractor.
- (7) Contract and order number.
- (8) Contracting office.
- (9) Administrative control office.

b. The TR description identifying:

- (1) Specific program requirements or reference thereto (e.g. attached statement of work).
- (2) Estimated level of services required (i.e. level of effort).
- (3) Work breakdown structure (if appropriate).
- (4) Schedules.
- (5) Relevant program history including cost and technical data available or reference thereto.
- (6) Acquisition strategy: competitive or sole source; contract type; any other pertinent information.
- (7) List of classified documents required (use only unclassified documents if possible).

c. Other relevant attachments such as:

- (1) A Contract Data Requirements List, DD Form 1423 or AFMC Form 707, 708, or 709.
- (2) A Purchase Request (AFMC Form 36) with Government estimated cost if it is necessary to increase the funded LOE to perform the TR.
- (3) A Contract Security Classification Specification, DD Form 254, if necessary.
- (4) A Security Classification Guide, if necessary.

d. An evaluation format which will allow the contractor to clearly and meaningfully report progress and completion of the TR (This may not be necessary if contractual procedures have already been established for reporting and evaluation in the contract itself; in which case, a statement that procedures exist in the contract should be included).

3. Revisions and amendments to TRs will similarly be written with an identifying cover sheet, adequate description which clarifies the revision or amendment, and relevant attachments.

B. Administrative Control of TRs.

1. The requiring activity will designate an office for administration of the TRs.
2. The administering office will:
  - a. Aid the program office/requiring activity in preparation of the TR and continue interchange of information with them as necessary.
  - b. Review all TR contents and related material for adequacy, including assurance that:
    - (1) Estimated cost is reasonable for the effort to be performed.
    - (2) TR is properly funded. (TRs are not funding documents, however.)
    - (3) Government efforts are not duplicated.
    - (4) Efforts do not involve inherently governmental functions.
    - (5) TR is within scope contract.
    - (6) TR can be performed within the limits of the contract (e.g., remaining level of effort, funding).
    - (7) Data items contain standardized labor category and SOW task expenditure information for contractor reporting (See D below).
- c. Coordinate the TR package with at least the following organizations:.

- (1) Comptroller, ESC/FM.
- (2) Acquisition Security (when a DD Form 254 is required).
- d. Assist and coordinate with other concerned offices as necessary.
- e. Insure the proper office is identified for acceptance of all deliverables.

C. Contracting for the TR.

- 1. The PCO will review and determine adequacy of the TR contents and all related material (review of administering office's checklist, Section B.2.b herein, will aid in accomplishing this).
- 2. Ensure proper funding exists.
- 3. Ensure that the TR is consistent with the procedures outlined in the contract.
- 4. Verify rates, ability to perform, costs and schedules with the contractor.
- 5. Issue the TR.

D. Contract Administration.

- 1. The PCO will establish procedures to ensure audits are requested on the initial invoices and every six months thereafter as required by ECPB 16.2, Para f.
- 2. Ensure contractor invoices are being received by the PCO and program office. The PCO will review the invoices for compliance with special payment provisions. The program office will use them to perform variance analysis on expended hours versus contract baseline for the period of performance or statement of work tasks.

**ANNEX 37.2****INSTRUCTIONS FOR  
PROCESSING TASK REQUIREMENT NOTICES (TRNs)**

1. Objective: To establish procedures for the processing and control of TRN's required for the Systems Engineering Support and Integration Program in support of the (XXXXXX Program Name).

2. A TRN is used to identify or refine the definition of a specific task to be performed by the contractor under this contract. Such tasks must fall within the scope of the contract and not constitute a change to contract requirements. The work to be performed is subject to the surveillance and technical direction of a technical representative defined hereunder in paragraph 3.a. Technical direction is defined as Government direction to the contractor which fills in details; suggests lines of inquiry, and more specifically defines the work set forth in the Statement of Work of this contract, and directs the expenditure of contracted level of effort in fulfillment of such direction.

3. Responsibilities and Procedures.

a. The Contracting Officer Technical Representative (COTR) shall be appointed in writing by the PCO and is responsible for the issuance of written Technical Directions. For the Technical Direction to be valid, it:

(1) Must be issued in writing consistent with the general scope of the contract/SOW and not constitute a change to contract requirements,

(2) Shall not commit the Government to any adjustment to the estimated cost or funds allotted to the contract.

b. Procedures.

(1) The COTR will issue direction to the contractor through the PCO within the guidelines established in paragraph 3.a. above. The vehicle for this direction shall be a fully coordinated Task Requirement Notice (TRN) prepared in accordance with Attachment A (3 pages) to this Instruction.

(2) The COTR will deliver the TRN to the PCO who will provide it to the contractor. This will include an explicit request for expeditious review and written concurrence/certification that the TRN effort to be accomplished on the specific undertaking will result neither in an increase in contract estimated cost nor impact in the delivery performance requirements of the contract. Furthermore, the COTR will state that the TRN effort is within the scope of and is not a change to the Statement of Work or any other part of the contract. The contractor will also be requested to set forth the impact of the TRN effort in terms of resources, schedule and other impacts.

c. In the event any Technical Direction is interpreted by the contractor to constitute a change to the contract, the Contractor:

(1) Shall not implement such technical direction, and

(2) Shall notify the PCO in writing of such interpretation within seven (7) calendar days after the contractor's receipt of such technical direction. Such notification shall include:



(i) The reasons upon which the contractor bases its belief that the technical direction constitutes a potential change to such work, and,

(ii) The contractor's best estimate as to revision in estimated cost, performance time, delivery schedules, and other contractual provisions that would result from the implementation of the technical direction.

d. If the PCO is of the opinion that the technical direction in question constitutes a change to the contract, the PCO may either incorporate the technical direction through the procedures described in the "Changes" clause, or direct the contractor to disregard the technical direction.

e. If, after reviewing the information presented pursuant to paragraph c.(2) above, the PCO is of the opinion that the technical direction in question does not constitute a change to the work, the PCO may instruct the contractor to proceed with implementation of the technical direction. If the PCO directs the contractor to proceed with the Technical Direction, and the contractor believes that such direction constitutes a change, however, the contractor may submit a request for equitable adjustment subject to the Disputes clause.

SAMPLETASK REQUIREMENT NOTICE (TRN)

1. CONTRACT NO. \_\_\_\_\_ 2. TRN NO. \_\_\_\_\_
3. CONTRACTOR \_\_\_\_\_ 4. CLIN \_\_\_\_\_
5. PROGRAM \_\_\_\_\_
6. TRN TITLE: \_\_\_\_\_
7. START DTE \_\_\_\_ 8. ESTIMATED COMPLETE DTE \_\_\_\_ 9. ESTIMATED MAN-MONTHS \_\_\_\_
10. ORIGINATOR \_\_\_\_\_ 11. DIVISION \_\_\_\_\_ 12. SPO OPR \_\_\_\_\_
13. DESCRIPTION OF WORK      SOW REF. \_\_\_\_\_ CDRL \_\_\_\_\_

See attached continuation sheet(s).

---

14. BUDGETED MAN-MONTHS


---

Category      CY97

JAN   FEB   MAR   APR   MAY   JUN   JUL   AUG   SEP   OCT   NOV   DEC   TOTAL

TOTAL

15. Balance of funds allocated are sufficient to meet this TRN  
yes\_    no\_

16. END PRODUCTS & COMPLETION DATES:

17. APPROVALS

COTR

CONTRACTOR

PROGRAM APPROVAL  
ESC COTR  
ESC DIV

PCO

18. DISTRIBUTION

ESC PCO

CONTRACTOR

**ATTACHMENT A****Completion of TRN Form.**

1. Contract Number - Self explanatory.
2. TRN Number - a seven digit number assigned by the COTR. The first four digits are the last four digits of the contract number and the last three digits shall represent a numeric sequence.
3. Contractor - contractor's name.
4. CLIN - The CLIN number to which the task is related.
5. Program - Self explanatory.
6. TRN Title - A short descriptive title of the effort to be accomplished.
7. Start Date - The date the TRN is initiated.
8. Estimated Completion Date - Estimated completion of the performance period.
9. Estimated Man-months - Total estimated man-months required for TRN performance.
10. Originator - Program office person responsible for TRN.
11. Division - Responsible division of the program office.
12. SPO OPR - SPO Director.
13. Description of Work/SOW Ref./CDRL - Enter the exact effort to be performed, its purpose, and estimated technical man-months. Attach additional sheets as required. The block must contain, as the last paragraph, the following:

Contract approval is contingent upon this effort being accomplished at no increase in estimated contract cost and with no schedule impact. It is understood that this effort is within the scope of the current statement of work and does not constitute a change to contract requirements. This notice does not authorize the contractor to perform effort/incur costs in excess of the funds presently allotted to the contract in accordance with the Limitation of Funds clause in the contract (or to exceed the estimated cost set forth in the contract schedule if the contract contains the Limitation of Cost clause).
14. Budgeted Man-months - Detailed by category, man-months required for TRN performance.
15. Funds Availability - Sufficient funds available to meet TRN requirements.
16. End Product and Completion Dates - Identify technical memos, briefings, and reports as required with specified completion dates.
17. Approvals - Signed and dated by authorized personnel.

18. Distribution:

- a. Original - retained by the PCO.
- b. Duplicate Original - to the contractor.
- c. Copy - to the COTR.
- d. Copy - to the SPO.

Additional copies may be provided to such other offices/agencies the COTR deems necessary to accomplish contract/management.

**ANNEX 97.1**  
**38 LS/LGCW FORMATS**

**REQUEST FOR DOCUMENT REVIEW**

Action Requested:

☐ IFB Solicitation Review  
☐ IFB Amendment Review  
☐ RFP Solicitation Review  
☐ RFP Amendment Review

☐ IFB Contract Award Review  
☐ Business Clearance Review  
☐ Contract Clearance Review

Requested by: \_\_\_\_\_ (Contracting Officer's Signature)  
Name: \_\_\_\_\_  
Office Symbol: \_\_\_\_\_  
Date: \_\_\_\_\_

Subject: \_\_\_\_\_ (Program Name, Description of Action or Item)

Document Number (Complete the Appropriate Entry):

Solicitation Number: \_\_\_\_\_  
Solicitation/Amendment Number: \_\_\_\_\_  
Contract Number: \_\_\_\_\_  
Contract/Modification Number: \_\_\_\_\_

Value of Action: \$ \_\_\_\_\_  
(Determined IAW AFFARS 5301.9006-4 and supplements thereto)

Contract Specialist: \_\_\_\_\_ (Name) \_\_\_\_\_ Phone Nr: \_\_\_\_\_

Price Analyst: \_\_\_\_\_ (Name) \_\_\_\_\_ Phone Nr: \_\_\_\_\_

## FOR OFFICIAL USE ONLY

REQUEST FOR IFB REVIEW TO: 38 LS/LGC

SUBJECT: \_\_\_\_\_ (Brief Description) \_\_\_\_\_

## 1. Pertinent Information:

- a. Solicitation Number: \_\_\_\_\_  
Proposed Date of Issuance: \_\_\_\_\_  
Proposed Date of Closing: \_\_\_\_\_
- b. Estimated dollar value: \$ \_\_\_\_\_
- c. Contract Specialist: \_\_\_\_\_  
Phone Number: \_\_\_\_\_

## 2. Documents provided:

- a. IFB with Attachments and Exhibits
- b. Official File, including all applicable items.

\_\_\_\_\_ (Contracting Officer's Signature) \_\_\_\_\_

Name:

Office Symbol:

Date:

## FOR OFFICIAL USE ONLY

REQUEST FOR CONTRACT APPROVAL TO: 38 LS/LGC

Contract Number: \_\_\_\_\_

1. I hereby request approval to award the above referenced contract which is the result of a sealed bid action.

2. Contract Specialist: \_\_\_\_\_, Phone Nr: \_\_\_\_\_.

3. The complete contract file and contract document are provided.

\_\_\_\_\_  
(Signature of Contracting Officer)

Name:

Office Symbol:

Date:

## FILE CONTENT LISTING FOR FILES SUBMITTED TO LGCW FOR REVIEW

Solicitation:

Request for Document Review - ECPB 5398, Atch 1 (Note 1)  
Proposed RFP with attachments/exhibits  
Proposed IFB with attachments/exhibits  
Supporting Contract File  
Request for RFP Review - AFFARS Attachment 5301-1 (Note 2)  
Request for IFB Review - ECPB 5398, Atch 2 (Note 2)

Amendment:

Request for Document Review - ECPB 5398, Atch 1 (Note 1)  
Proposed Amendment with attachments/exhibits  
Supporting Contract File

Sealed Bid Contract Award:

Request for Document Review - ECPB 5398, Atch 1 (Note 1)  
Request for Contract Approval - ECPB 5398, Atch 3 (Note 2)  
Contract Document with attachments/exhibits  
Supporting Contract File

Business Clearance:

Request for Document Review - ECPB 5398, Atch 1 (Note 1)  
Request for Business Clearance - AFFARS Attachment 5301-1 (Note 2)  
Required Documents - AFFARS 5301.9008(b) (Note 3)

Contract Clearance:

Request for Document Review - ECPB 5398, Atch 1 (Note 1)  
Request for Contract Clearance - AFFARS Attachment 5301-1 (Note 2)  
Required Documents - AFFARS 5301.9011

## NOTES:

- (1) Required for Initial Review only and not applicable to IPT actions.
- (2) Required in draft for Initial Review and in final for Compliance Review.
- (3) The requirement for Business Clearance Charts (AFFARS 5301.9008(b)(8)) is waived for actions of \$50M or less unless specifically required by the Business Clearance Approval Authority.